
State: Colorado **Filing Company:** Kaiser Permanente Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
Product Name: KPIC CO Small Group PPO
Project Name/Number: 201401 KPIC CO SG PPO/201401 KPIC SG CO PPO

Filing at a Glance

Company: Kaiser Permanente Insurance Company
Product Name: KPIC CO Small Group PPO
State: Colorado
TOI: H16G Group Health - Major Medical
Sub-TOI: H16G.003A Small Group Only - PPO
Filing Type: Rate
Date Submitted: 05/14/2013
SERFF Tr Num: KFHP-129013801
SERFF Status: Closed-Filed
State Tr Num: 278003
State Status: Filed
Co Tr Num: 2014.01 KPIC CO SG

Implementation: 01/01/2014
Date Requested:
Author(s): Aaron Ekstrom, Miranda Ross, Emmie Munthali
Reviewer(s): Cathy Gilliland (primary), Nichole Boggess, Michael Muldoon, Amy Filler, Rachel Plummer
Disposition Date: 07/30/2013
Disposition Status: Filed
Implementation Date: 01/01/2014

State Filing Description:

State: Colorado **Filing Company:** Kaiser Permanente Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
Product Name: KPIC CO Small Group PPO
Project Name/Number: 201401 KPIC CO SG PPO/201401 KPIC SG CO PPO

General Information

Project Name: 201401 KPIC CO SG PPO
Project Number: 201401 KPIC SG CO PPO
Requested Filing Mode: File & Use
Explanation for Combination/Other:
Submission Type: New Submission
Group Market Type: Employer
Filing Status Changed: 07/30/2013
State Status Changed: 07/26/2013
Created By: Aaron Ekstrom
Corresponding Filing Tracking Number:

Status of Filing in Domicile:
Date Approved in Domicile:
Domicile Status Comments:
Market Type: Group
Group Market Size: Small
Overall Rate Impact:

Deemer Date:
Submitted By: Aaron Ekstrom

PPACA: Non-Grandfathered Immed Mkt Reforms

PPACA Notes: null

Include Exchange Intentions: No

Filing Description:

This memorandum and the accompanying exhibits represent documentation to support the filing of new product rates for Kaiser Permanente Insurance Company (KPIC) Colorado small group products, effective January 1, 2014 to be sold off the Colorado State Exchange. This rate filing is to comply with current and developing Federal and State requirements as indicated by the Affordable Care Act (ACA) and corresponding regulations and interpretations.

State Narrative:

Rate Change Summary

Effective Date of New Rate Implementation: 1/1/2014 through 12/31/2014

This is a New ACA Compliant Filing for 2014, there is no rate change involved with this filing.

The purpose of this rate filing is to establish new product rates that are reasonable relative to the benefits provided and to demonstrate compliance with state laws and provisions of the Affordable Care Act (ACA).

Off Exchange Only Plans

Silver: 1 plan

Company and Contact

Filing Contact Information

Aaron Ekstrom, Actuarial Director	Aaron.D.Ekstrom@kp.org
2530 S. Parker Road	303-306-2672 [Phone]
Suite 350	303-306-2676 [FAX]
Aurora, CO 80014	

State: Colorado **Filing Company:** Kaiser Permanente Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
Product Name: KPIC CO Small Group PPO
Project Name/Number: 201401 KPIC CO SG PPO/201401 KPIC SG CO PPO

Filing Company Information

Kaiser Permanente Insurance Company	CoCode: 60053	State of Domicile: California
393 E. Walnut St	Group Code: 601	Company Type: LIFE
Pasadena, CA 91188	Group Name:	State ID Number: CO
(818) 546-4184 ext. [Phone]	FEIN Number: 94-3203402	

Filing Fees

Fee Required? No

Retaliatory? No

Fee Explanation:

State Specific

Please enter state-specific code(s) found in Colorado's Filing Requirements Bulletins, or on the General Instructions page.

Please list all applicable state-specific codes. If no codes are applicable, please enter N/A.: 701

All rate and loss cost filing types MUST be submitted with completed Rate Data Fields in accordance with Sections 10-4-401 and 10-16-107 C.R.S. This requirement does not apply to form filing types. Rate and loss cost filings not including this data will be rejected. If this is a rate or loss cost filing, have these fields been completed?: Yes

Have you completed the Forms Schedule Tab? ALL Life, Accident, and Health Rate and Form filing types require the Form Schedule Tab to be completed. In addition, all Form, Annual Form Certification, and Refund Calculation filing types require the Form Schedule Tab to be completed. The actual form must be attached to Form filing types only when filing: Medicare Supplement, Long-Term Care Partnership, Stop Loss, P&C Summary Disclosure Forms, and Workers Compensation. It is not necessary to submit the actual form for other lines of insurance. Thank you.: Yes

State:	Colorado	Filing Company:	Kaiser Permanente Insurance Company
TOI/Sub-TOI:	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
Product Name:	KPIC CO Small Group PPO		
Project Name/Number:	201401 KPIC CO SG PPO/201401 KPIC SG CO PPO		

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Cathy Gilliland	07/30/2013	07/30/2013

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Pending Industry Response	Michael Muldoon	07/23/2013	07/23/2013
Pending Industry Response	Michael Muldoon	07/10/2013	07/10/2013
Pending Industry Response	Cathy Gilliland	06/20/2013	06/20/2013
Pending Industry Response	Rachel Plummer	06/10/2013	06/10/2013
Pending Industry Response	Cathy Gilliland	05/29/2013	05/29/2013
Pending Industry Response	Cathy Gilliland	05/16/2013	05/16/2013
Pending Industry Response	Cathy Gilliland	05/15/2013	05/15/2013

Response Letters

Responded By	Created On	Date Submitted
Emmie Munthali	07/23/2013	07/23/2013
Aaron Ekstrom	07/11/2013	07/11/2013
Emmie Munthali	06/21/2013	06/21/2013
Emmie Munthali	06/21/2013	06/21/2013
Miranda Ross	06/04/2013	06/04/2013
Miranda Ross	05/21/2013	05/29/2013
Miranda Ross	05/21/2013	05/22/2013

State:	Colorado	Filing Company:	Kaiser Permanente Insurance Company
TOI/Sub-TOI:	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
Product Name:	KPIC CO Small Group PPO		
Project Name/Number:	201401 KPIC CO SG PPO/201401 KPIC SG CO PPO		

Amendments

Schedule	Schedule Item Name	Created By	Created On	Date Submitted
Rate	Rate Manual	Emmie Munthali	07/16/2013	07/17/2013
Supporting Document	Attachment II	Emmie Munthali	07/16/2013	07/17/2013
Supporting Document	Addendum_2013.06.05	Aaron Ekstrom	06/05/2013	06/05/2013

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Premium Comparison	Note To Filer	Rachel Plummer	07/11/2013	07/11/2013

State:	Colorado	Filing Company:	Kaiser Permanente Insurance Company
TOI/Sub-TOI:	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
Product Name:	KPIC CO Small Group PPO		
Project Name/Number:	201401 KPIC CO SG PPO/201401 KPIC SG CO PPO		

Disposition

Disposition Date: 07/30/2013
Implementation Date: 01/01/2014
Status: Filed

HHS Status: HHS Approved
State Review: Reviewed by Actuary

Comment: see attached letter

Company Name:	Company Rate Change:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Kaiser Permanente Insurance Company	New Product	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%

Percent Change Approved:

Minimum:	0.000%
Maximum:	0.000%
Weighted Average:	0.000%

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	HR-1 Form (H)		Yes
Supporting Document	Consumer Disclosure Form		Yes
Supporting Document (revised)	Actuarial Memorandum and Certifications		Yes
Supporting Document	Actuarial Memorandum and Certifications		Yes
Supporting Document	Actuarial Memorandum and Certifications		Yes
Supporting Document (revised)	Unified Rate Review Template		Yes
Supporting Document	Unified Rate Review Template		Yes

State:	Colorado	Filing Company:	Kaiser Permanente Insurance Company
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Product Name:	KPIC CO Small Group PPO		
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Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Unified Rate Review Template		Yes
Supporting Document	Exhibit I		Yes
Supporting Document (revised)	Attachment II		Yes
Supporting Document	Attachment II		Yes
Supporting Document	Attachment II		Yes
Supporting Document	Vaughn Index		No
Supporting Document	Exhibits 2 - 5		No
Supporting Document	Letter of Authority		Yes
Supporting Document	Addendum_2013.06.05		Yes
Supporting Document	Retention Request		Yes
Form	Group Insurance Policy		Yes
Form	Certificate of Insurance		Yes
Form	Schedule of Coverage		Yes
Rate (revised)	Rate Manual		Yes
Rate	Rate Manual		Yes

Final Disposition Letter
State Tracking # 278003
Company: Kaiser Permanente Insurance Company
Product Line: Small Group PPO

Rate Change Summary

Effective Date of New Rate Implementation: 1/1/2014 through 12/31/2014
This is a New ACA Compliant Filing for 2014, there is no rate change involved with this filing.

The purpose of this rate filing is to establish new product rates that are reasonable relative to the benefits provided and to demonstrate compliance with state laws and provisions of the Affordable Care Act (ACA).

Off Exchange Only Plans
Silver: 1 plan

Rate Methodology

Experience Used for Rate Setting: KPIC's 2012 PPO SG NGF experience is used at a 33% credibility level given the limited amount of enrollment. This data was blended with manual rating material established via independent national actuarial rating manual.

2012 Experience Period Loss Ratio:

Annual Health Cost Trends: 93.3% based on an average of only 222 lives enrolled with \$1.6 Million in premium (\$611.75 pmpm).

Risk Adjustment: 0% (no payments expected from the federal Risk Adjustment Program in 2014).

Smoking Factor: 0% - same rates for smokers and non-smokers at all ages.

Age Rating: 3.0 to 1.0 age rating factor limits for all adults age 21 and over.

Colorado 2014 Overall Average Premium: \$600.17 pmpm

* Federal Reported 2014 Comparable Average Premium: \$600.17 pmpm

* This is reported on the issuer's CMS URRT Form submitted in HIOS. It represents a standardized average premium calculation that is used by CMS for comparing and gauging premium development. It is not necessarily the actual average premium, which is shown in the line above as Colorado 2014 Overall Average Premium.

Premium Retained to Cover Expenses, Taxes Fees and Profits

Administrative costs: Expenses the insurance company pays to operate this insurance plan.

This includes all expenses not directly related to paying claims, such as, but not limited to, salaries of company employees, the cost of the company's offices and equipment, commissions to agents to sell and service policies, subsidies to cover legally required plans such as portability, and taxes.

Profit: The amount of money remaining after claims and administrative expenses are paid. Margin is the comparable term for a nonprofit insurance company.

The average expected premium retained is 15.0%.

<u>Issuer Primary Expense and Profit Retention</u>	<u>% of Premium Retained</u>
Administrative Expenses:	9.07%
* Commissions:	0.00%

Final Disposition Letter

	Capital and Contingencies Margin:	1.50%
	FIT - Federal Income Taxes:	0.00%
	Investment Income:	0.00%
(A)	Total:	10.57%
<u>Retention for Additional Required Taxes, Fees and Assessments</u>		
	PPACA Health Insurer Fee and PCORI Fee:	1.31%
	PPACA Reinsurance Fee and RA Fee:	0.74%
	PPACA Risk Adjustment User Fee:	0.01%
	PPACA PCORI Fee:	0.02%
	Exchange user fees: (Off-Exchange Products)	0.00%
	Premium Taxes:	2.35%
	State Income Taxes:	0.00%
	Other Fees, Assessments, Taxes:	0.00%
(B)	Total:	4.43%
(C)	Total Premium Retention For All Purposes (A + B):	15.00%
(D)	Colorado Conventional Loss Ratio (100% - D):	85.00%
	Simplified Federal MLR Loss Ratio Basis: (C) / (100% - B - FIT):	88.94%

*KFHP of CO and KPIC PPO jointly oversee and administer the KPIC products, subsequently some expenses, such as commissions, are addressed by KFHP of CO.

Sample of Final Premium Levels

	Denver				Fort Collins			
	21 Year Old		64 Year Old		21 Year Old		64 Year Old	
	Low	High	Low	High	Low	High	Low	High
Silver	\$418.81	\$418.81	\$1,256.42	\$1,256.42	\$418.81	\$418.81	\$1,256.42	\$1,256.42

	Grand Junction				Pueblo			
	21 Year Old		64 Year Old		21 Year Old		64 Year Old	
	Low	High	Low	High	Low	High	Low	High
Silver	\$418.81	\$418.81	\$1,256.42	\$1,256.42	\$418.81	\$418.81	\$1,256.42	\$1,256.42

Division Objections and Rate Changes During the Review Process

The Division objected to small differences in rates of \$1 or less between the rate manual and the rate template. Kaiser corrected their floating rate calculations to use the same fixed factors as contained in the rate manual.

Final Disposition Letter

Final Rate Filing Disposition

The Division has filed the rates in their final form after all adjustments.

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Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	07/23/2013
Submitted Date	07/23/2013
Respond By Date	07/23/2013

Dear Aaron Ekstrom,

Introduction:

This filing has been received, but before further action can be taken, please address the following:

Objection 1

- Actuarial Memorandum and Certifications (Supporting Document)

Comments:

Please clarify the 2.35% premium tax. State premium tax in Colorado is typically 2.0%.

Please indicate any other taxes, fees or assessments that are included in this 2.35%.

Please note that there is no CoverColorado assessment applicable for 2014.

Conclusion:

If any of the requested rate information results in changes to the filing forms (HR-1 or A, B, C or D), please also submit revised forms.

Colorado Insurance Regulation 1-1-8 requires that every person shall provide a complete response in writing to any inquiry from the Division of Insurance. This reply must be submitted by 07/23/2013, which is within 1 calendar days from the date of this correspondence.

Failure to provide a full or complete response may result in the imposition of a \$500 fine under Colorado Insurance Regulation 1-1-8 and applicable surcharge pursuant to §24-34-108(2), C.R.S. This surcharge will be used to fund the development, implementation and maintenance of a consumer outreach and education program. Pursuant to Section 6 of Colorado Insurance Regulation 1-1-8, and after notice and hearing, additional sanctions may be sought under C.R.S. 10-1-215 and other fining and penalty provisions of Title 10.

Sincerely,

Michael Muldoon

State: Colorado **Filing Company:** Kaiser Permanente Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
Product Name: KPIC CO Small Group PPO
Project Name/Number: 201401 KPIC CO SG PPO/201401 KPIC SG CO PPO

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	07/10/2013
Submitted Date	07/10/2013
Respond By Date	07/11/2013

Dear Aaron Ekstrom,

Introduction:

This filing has been received, but before further action can be taken, please address the following:

Objection 1

- Actuarial Memorandum and Certifications (Supporting Document)

Comments: Refer to the attached retention summary exhibit.

Please indicate commissions separately.

Please split out all PPACA fee rating loads separately.

Please review for any other items that should be changed, rounding differences.

Conclusion:

If any of the requested rate information results in changes to the filing forms (HR-1 or A, B, C or D), please also submit revised forms.

Sincerely,

Michael Muldoon

State: Colorado **Filing Company:** Kaiser Permanente Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
Product Name: KPIC CO Small Group PPO
Project Name/Number: 201401 KPIC CO SG PPO/201401 KPIC SG CO PPO

Attachment KPIC SG Consumer Retention Exhibit.xlsx is not a PDF document and cannot be reproduced here.

State: Colorado **Filing Company:** Kaiser Permanente Insurance Company
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Product Name: KPIC CO Small Group PPO
Project Name/Number: 201401 KPIC CO SG PPO/201401 KPIC SG CO PPO

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	06/20/2013
Submitted Date	06/20/2013
Respond By Date	06/24/2013

Dear Aaron Ekstrom,

Introduction:

This filing has been received, but before further action can be taken, please address the following:

Objection 1

Comments: Please correct your rating manual for the Mineral area, to area 10

Conclusion:

Colorado Insurance Regulation 1-1-8 requires that every person shall provide a complete response in writing to any inquiry from the Division of Insurance. This reply must be submitted by 06/24/2013, which is within 4 calendar days from the date of this correspondence. If additional time is required to provide a complete response, including any documentation which is requested, a request for an extension of time must be submitted by 06/24/2013.

The request for an extension of time must state the reason for such request and the number of additional days required to provide a complete response. Requests for additional time will be granted for good cause shown and for a reasonable period at the discretion of the Division. Requests for an extension of time must be submitted through SERFF.

Failure to provide a full or complete response, or to request an extension for a specified period, may result in the imposition of a \$500 fine under Colorado Insurance Regulation 1-1-8 and applicable surcharge pursuant to §24-34-108(2), C.R.S. This surcharge will be used to fund the development, implementation and maintenance of a consumer outreach and education program. Pursuant to Section 6 of Colorado Insurance Regulation 1-1-8, and after notice and hearing, additional sanctions may be sought under C.R.S. 10-1-215 and other fining and penalty provisions of Title 10.

Sincerely,
Cathy Gilliland

State: Colorado **Filing Company:** Kaiser Permanente Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
Product Name: KPIC CO Small Group PPO
Project Name/Number: 201401 KPIC CO SG PPO/201401 KPIC SG CO PPO

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	06/10/2013
Submitted Date	06/10/2013
Respond By Date	06/24/2013

Dear Aaron Ekstrom,

Introduction:

This filing has been received, but before further action can be taken, please address the following:

Objection 1

- Actuarial Memorandum and Certifications (Supporting Document)

Comments: Please include the "Credibility of Experience" section of the Part III Actuarial Memorandum. In this section issuers must provide support for the credibility level assigned to their base period experience, with the complement being applied to a credibility manual. The requested information will include items such as: Description of the Credibility Methodology Used, and Resulting Credibility Level Assigned to Base Period Experience when applying the proposed credibility methodology. This portion of the Part III Act Memo should follow the "Credibility Manual Rate Development" section. For more information, please see the HHS Part III Actuarial Memorandum and Certification Instructions. If no experience is applicable, please specify within the document.

Conclusion:

If any of the requested rate information results in changes to the filing forms (HR-1 or A, B, C or D), please also submit revised forms.

Colorado Insurance Regulation 1-1-8 requires that every person shall provide a complete response in writing to any inquiry from the Division of Insurance. This reply must be submitted by 06/24/2013, which is within 14 calendar days from the date of this correspondence. If additional time is required to provide a complete response, including any documentation which is requested, a request for an extension of time must be submitted by 06/24/2013.

The request for an extension of time must state the reason for such request and the number of additional days required to provide a complete response. Requests for additional time will be granted for good cause shown and for a reasonable period at the discretion of the Division. Requests for an extension of time must be submitted through SERFF.

Failure to provide a full or complete response, or to request an extension for a specified period, may result in the imposition of a \$500 fine under Colorado Insurance Regulation 1-1-8 and applicable surcharge pursuant to §24-34-108(2), C.R.S. This surcharge will be used to fund the development, implementation and maintenance of a consumer outreach and education program. Pursuant to Section 6 of Colorado Insurance Regulation 1-1-8, and after notice and hearing, additional sanctions may be sought under C.R.S. 10-1-215 and other fining and penalty provisions of Title 10.

Sincerely,
Rachel Plummer

State: Colorado **Filing Company:** Kaiser Permanente Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
Product Name: KPIC CO Small Group PPO
Project Name/Number: 201401 KPIC CO SG PPO/201401 KPIC SG CO PPO

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	05/29/2013
Submitted Date	05/29/2013
Respond By Date	06/05/2013

Dear Aaron Ekstrom,

Introduction:

This filing has been received, but before further action can be taken, please address the following:

Objection 1

Comments: If there are any excel docs attached, please also provide them in a PDF doc as we are having issues with excel attachments

Objection 2

Comments: Regulation 4-2-11 section 6 (A) PPACA rate filing procedure (A) 5 Please provide; Product Descriptions: This section should describe the benefits provided by the policy. Must include EHB and list any substitution of benefits or any additional benefits above the EHB.

Conclusion:

Colorado Insurance Regulation 1-1-8 requires that every person shall provide a complete response in writing to any inquiry from the Division of Insurance. This reply must be submitted by 06/05/2013, which is within 7 calendar days from the date of this correspondence. If additional time is required to provide a complete response, including any documentation which is requested, a request for an extension of time must be submitted by 06/05/2013.

The request for an extension of time must state the reason for such request and the number of additional days required to provide a complete response. Requests for additional time will be granted for good cause shown and for a reasonable period at the discretion of the Division. Requests for an extension of time must be submitted through SERFF.

Failure to provide a full or complete response, or to request an extension for a specified period, may result in the imposition of a \$500 fine under Colorado Insurance Regulation 1-1-8 and applicable surcharge pursuant to §24-34-108(2), C.R.S. This surcharge will be used to fund the development, implementation and maintenance of a consumer outreach and education program. Pursuant to Section 6 of Colorado Insurance Regulation 1-1-8, and after notice and hearing, additional sanctions may be sought under C.R.S. 10-1-215 and other fining and penalty provisions of Title 10.

Sincerely,

Cathy Gilliland

State: Colorado **Filing Company:** Kaiser Permanente Insurance Company
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Product Name: KPIC CO Small Group PPO
Project Name/Number: 201401 KPIC CO SG PPO/201401 KPIC SG CO PPO

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	05/16/2013
Submitted Date	05/16/2013
Respond By Date	05/30/2013

Dear Aaron Ekstrom,

Introduction:

This filing has been received, but before further action can be taken, please address the following:

Objection 1

Comments: Please correct the requested filing mode to file and use.

Objection 2

Comments: Please provide % amount on the rate rule schedule for all rate impact (0%).

Objection 3

Comments: Please provide the requested rate action on the Actuarial Memorandum as 0%.

Objection 4

Comments: Regulation 4-2-11 section 6 (E) Please indicate which of the following PPACA benefits your plan has implemented:

Eliminate Annual Dollar Limits on Essential Benefits, Section 2711 of the PHSA/Section 1001 of the PPACA

Eliminate Lifetime Dollar Limits on Essential Benefits, Section 2711 of the PHSA/Section 1001 of the PPACA

Eliminate Pre-existing Condition Exclusions for Enrollees Under Age 19, Section 2711 of the PHSA/Section 1201 of the PPACA

Prohibit Rescissions, Section 2712 of the PHSA/Section 1001 of PPACA

Preventive Services, Section 2713 of the PHSA/Section 1001 of the PPACA

Extends Dependent Coverage for Children Until age 26, Section 2714 of the PHSA/Section 1001 of the PPACA

Appeals Process, Section 2719 of the PHSA/Section 1001 of the PPACA

Emergency Services, Section 2719A of the PHSA/Section 10101 of the PPACA

Access to Pediatricians, Section 2719A of the PHSA/Section 10101 of the PPACA

Access to OB/GYNs, Section 2719A of the PHSA/Section 10101 of the PPACA

Conclusion:

Colorado Insurance Regulation 1-1-8 requires that every person shall provide a complete response in writing to any inquiry from the Division of Insurance. This reply must be submitted by 05/30/2013, which is within 14 calendar days from the date of this correspondence. If additional time is required to provide a complete response, including any documentation which is requested, a request for an extension of time must be submitted by 05/30/2013.

The request for an extension of time must state the reason for such request and the number of additional days required to provide a complete response. Requests for additional time will be granted for good cause shown and for a reasonable period at the discretion of the Division. Requests for an extension of time must be submitted through SERFF.

Failure to provide a full or complete response, or to request an extension for a specified period, may result in the imposition of a \$500 fine under Colorado Insurance Regulation 1-1-8 and applicable surcharge pursuant to §24-34-108(2), C.R.S. This surcharge will be used to fund the development, implementation and maintenance of a consumer outreach and education program. Pursuant to Section 6 of Colorado Insurance Regulation 1-1-8, and after notice and hearing, additional sanctions may be sought under C.R.S. 10-1-215 and other fining and penalty provisions of Title 10.

Sincerely,

State: Colorado**Filing Company:** Kaiser Permanente Insurance Company**TOI/Sub-TOI:** H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO**Product Name:** KPIC CO Small Group PPO**Project Name/Number:** 201401 KPIC CO SG PPO/201401 KPIC SG CO PPO

Cathy Gilliland

State: Colorado **Filing Company:** Kaiser Permanente Insurance Company
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Project Name/Number: 201401 KPIC CO SG PPO/201401 KPIC SG CO PPO

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	05/15/2013
Submitted Date	05/15/2013
Respond By Date	05/22/2013

Dear Aaron Ekstrom,

Introduction:

This filing has been received, but before further action can be taken, please address the following:

Objection 1

Comments: Please provide the United rate review template in a xls doc. We cannot open the xml doc.

Conclusion:

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Colorado Insurance Regulation 1-1-8 requires that every person shall provide a complete response in writing to any inquiry from the Division of Insurance. This reply must be submitted by 05/22/2013, which is within 7 calendar days from the date of this correspondence. If additional time is required to provide a complete response, including any documentation which is requested, a request for an extension of time must be submitted by 05/22/2013.

The request for an extension of time must state the reason for such request and the number of additional days required to provide a complete response. Requests for additional time will be granted for good cause shown and for a reasonable period at the discretion of the Division. Requests for an extension of time must be submitted through SERFF.

Failure to provide a full or complete response, or to request an extension for a specified period, may result in the imposition of a \$500 fine under Colorado Insurance Regulation 1-1-8 and applicable surcharge pursuant to §24-34-108(2), C.R.S. This surcharge will be used to fund the development, implementation and maintenance of a consumer outreach and education program. Pursuant to Section 6 of Colorado Insurance Regulation 1-1-8, and after notice and hearing, additional sanctions may be sought under C.R.S. 10-1-215 and other fining and penalty provisions of Title 10.

Sincerely,

Cathy Gilliland

State: Colorado **Filing Company:** Kaiser Permanente Insurance Company
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Response Letter

Response Letter Status	Submitted to State
Response Letter Date	07/23/2013
Submitted Date	07/23/2013

Dear Cathy Gilliland,

Introduction:

Response 1

Comments:

While CO's premium tax rate is 2%, CA licensed KPIC is required to pay CO premium tax at CA's premium tax rate of 2.35% due to tax provisions in place in CO.

Related Objection 1

Applies To:

- Actuarial Memorandum and Certifications (Supporting Document)

Comments:

Please clarify the 2.35% premium tax. State premium tax in Colorado is typically 2.0%.

Please indicate any other taxes, fees or assessments that are included in this 2.35%.

Please note that there is no CoverColorado assessment applicable for 2014.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,

Emmie Munthali

State:	Colorado	Filing Company:	Kaiser Permanente Insurance Company
TOI/Sub-TOI:	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
Product Name:	KPIC CO Small Group PPO		
Project Name/Number:	201401 KPIC CO SG PPO/201401 KPIC SG CO PPO		

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	07/11/2013
Submitted Date	07/11/2013

Dear Cathy Gilliland,

Introduction:

Response 1

Comments:

Please see attached documents.

Related Objection 1

Applies To:

- Actuarial Memorandum and Certifications (Supporting Document)

Comments: Refer to the attached retention summary exhibit.

Please indicate commissions separately.

Please split out all PPACA fee rating loads separately.

Please review for any other items that should be changed, rounding differences.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Retention Request
Comments:	
Attachment(s):	2014.01 KPIC CO SG Retention_2013.07.11.xlsx 2014.01 KPIC CO SG Retention_2013.07.11.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

SERFF Tracking #:	KFHP-129013801	State Tracking #:	278003	Company Tracking #:	2014.01 KPIC CO SG
State:	Colorado	Filing Company:	Kaiser Permanente Insurance Company		
TOI/Sub-TOI:	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO				
Product Name:	KPIC CO Small Group PPO				
Project Name/Number:	201401 KPIC CO SG PPO/201401 KPIC SG CO PPO				

Sincerely,
Aaron Ekstrom

State: Colorado **Filing Company:** Kaiser Permanente Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
Product Name: KPIC CO Small Group PPO
Project Name/Number: 201401 KPIC CO SG PPO/201401 KPIC SG CO PPO

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	06/21/2013
Submitted Date	06/21/2013

Dear Cathy Gilliland,

Introduction:

Response 1

Comments:

Per the documents on the Division of Insurance Life, Accident, and Health Resources website, including the Colorado Geographic Rating Areas document and the PPACA Rate Filing Procedures for Colorado - May 7, 2013, Mineral is included in Rating Area 8. The rating areas included in this filing are consistent with these documents.

Related Objection 1

Comments: Please correct your rating manual for the Mineral area, to area 10

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,
Emmie Munthali

State: Colorado **Filing Company:** Kaiser Permanente Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
Product Name: KPIC CO Small Group PPO
Project Name/Number: 201401 KPIC CO SG PPO/201401 KPIC SG CO PPO

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	06/21/2013
Submitted Date	06/21/2013

Dear Cathy Gilliland,

Introduction:

Response 1

Comments:

Please reference the *Credibility Manual Rate Development* section of the *Part III Actuarial Memorandum* for the requested information, including an explanation of the credibility assigned to the base experience.

Related Objection 1

Applies To:

- Actuarial Memorandum and Certifications (Supporting Document)

Comments: Please include the "Credibility of Experience" section of the *Part III Actuarial Memorandum*. In this section issuers must provide support for the credibility level assigned to their base period experience, with the complement being applied to a credibility manual. The requested information will include items such as: *Description of the Credibility Methodology Used*, and *Resulting Credibility Level Assigned to Base Period Experience* when applying the proposed credibility methodology. This portion of the *Part III Act Memo* should follow the "Credibility Manual Rate Development" section. For more information, please see the *HHS Part III Actuarial Memorandum and Certification Instructions*. If no experience is applicable, please specify within the document.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,
Emmie Munthali

SERFF Tracking #:	KFHP-129013801	State Tracking #:	278003	Company Tracking #:	2014.01 KPIC CO SG
<hr/>					
State:	Colorado	Filing Company:	Kaiser Permanente Insurance Company		
TOI/Sub-TOI:	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO				
Product Name:	KPIC CO Small Group PPO				
Project Name/Number:	201401 KPIC CO SG PPO/201401 KPIC SG CO PPO				

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	06/04/2013
Submitted Date	06/04/2013

Dear Cathy Gilliland,

Introduction:

Response 1

Comments:

Please see the attached PDF versions of the files required to be submitted in Excel.

Related Objection 1

Comments: If there are any excel docs attached, please also provide them in a PDF doc as we are having issues with excel attachments

Changed Items:

State:	Colorado	Filing Company:	Kaiser Permanente Insurance Company
TOI/Sub-TOI:	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
Product Name:	KPIC CO Small Group PPO		
Project Name/Number:	201401 KPIC CO SG PPO/201401 KPIC SG CO PPO		

Supporting Document Schedule Item Changes	
Satisfied - Item:	Actuarial Memorandum and Certifications
Comments:	
Attachment(s):	2014.01 KPIC CO SG_Cert.PDF 2014.01 KPIC CO SG Part III Actuarial Memorandum.pdf 2014.01 KPIC CO SG ActMemo_v2013.05.29.xls 2014.01 KPIC CO SG ActMemo_v2013.05.29_PDF of Required Excel Submission.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>Actuarial Memorandum and Certifications</i>
Comments:	
Attachment(s):	<i>2014.01 KPIC CO SG_Cert.PDF</i> <i>2014.01 KPIC CO SG Part III Actuarial Memorandum.pdf</i> <i>2014.01 KPIC CO SG ActMemo_v2013.05.29.xls</i>
<i>Previous Version</i>	
Satisfied - Item:	<i>Actuarial Memorandum and Certifications</i>
Comments:	
Attachment(s):	<i>2014.01 KPIC CO SG ActMemo.xls</i> <i>2014.01 KPIC CO SG_Cert.PDF</i> <i>2014.01 KPIC CO SG Part III Actuarial Memorandum.pdf</i>

Satisfied - Item:	Unified Rate Review Template
Comments:	
Attachment(s):	2014.01 KPIC CO SG_URRT.xlsm 2014.01 KPIC CO SG_URRT_PDF of Required Excel Submission.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>Unified Rate Review Template</i>
Comments:	
Attachment(s):	<i>2014.01 KPIC CO SG_URRT.xlsm</i>

SERFF Tracking #:	KFHP-129013801	State Tracking #:	278003	Company Tracking #:	2014.01 KPIC CO SG
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State:	Colorado	Filing Company:	Kaiser Permanente Insurance Company
TOI/Sub-TOI:	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
Product Name:	KPIC CO Small Group PPO		
Project Name/Number:	201401 KPIC CO SG PPO/201401 KPIC SG CO PPO		

<i>Previous Version</i>	
Satisfied - Item:	<i>Unified Rate Review Template</i>
Comments:	
Attachment(s):	<i>2014 KPIC CO SG_URRT_2013051414218.xml</i>

Satisfied - Item:	Attachment II
Comments:	
Attachment(s):	2014.01 KPIC CO SG_Att II.xls 2014.01 KPIC CO SG_Att II_PDF of Required Excel Submission.pdf

<i>Previous Version</i>	
Satisfied - Item:	<i>Attachment II</i>
Comments:	
Attachment(s):	<i>2014.01 KPIC CO SG_Att II.xls</i>

State:	Colorado	Filing Company:	Kaiser Permanente Insurance Company
TOI/Sub-TOI:	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
Product Name:	KPIC CO Small Group PPO		
Project Name/Number:	201401 KPIC CO SG PPO/201401 KPIC SG CO PPO		

Supporting Document Schedule Item Changes	
Satisfied - Item:	Actuarial Memorandum and Certifications
Comments:	
Attachment(s):	2014.01 KPIC CO SG_Cert.PDF 2014.01 KPIC CO SG Part III Actuarial Memorandum.pdf 2014.01 KPIC CO SG ActMemo_v2013.05.29.xls 2014.01 KPIC CO SG ActMemo_v2013.05.29_PDF of Required Excel Submission.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>Actuarial Memorandum and Certifications</i>
Comments:	
Attachment(s):	<i>2014.01 KPIC CO SG_Cert.PDF</i> <i>2014.01 KPIC CO SG Part III Actuarial Memorandum.pdf</i> <i>2014.01 KPIC CO SG ActMemo_v2013.05.29.xls</i>
<i>Previous Version</i>	
Satisfied - Item:	<i>Actuarial Memorandum and Certifications</i>
Comments:	
Attachment(s):	<i>2014.01 KPIC CO SG ActMemo.xls</i> <i>2014.01 KPIC CO SG_Cert.PDF</i> <i>2014.01 KPIC CO SG Part III Actuarial Memorandum.pdf</i>

Satisfied - Item:	Unified Rate Review Template
Comments:	
Attachment(s):	2014.01 KPIC CO SG_URRT.xlsm 2014.01 KPIC CO SG_URRT_PDF of Required Excel Submission.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>Unified Rate Review Template</i>
Comments:	
Attachment(s):	<i>2014.01 KPIC CO SG_URRT.xlsm</i>

State:	Colorado	Filing Company:	Kaiser Permanente Insurance Company
TOI/Sub-TOI:	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
Product Name:	KPIC CO Small Group PPO		
Project Name/Number:	201401 KPIC CO SG PPO/201401 KPIC SG CO PPO		

<i>Previous Version</i>	
Satisfied - Item:	<i>Unified Rate Review Template</i>
Comments:	
Attachment(s):	<i>2014 KPIC CO SG_URRT_2013051414218.xml</i>

Satisfied - Item:	Attachment II
Comments:	
Attachment(s):	2014.01 KPIC CO SG_Att II.xls 2014.01 KPIC CO SG_Att II_PDF of Required Excel Submission.pdf

<i>Previous Version</i>	
Satisfied - Item:	<i>Attachment II</i>
Comments:	
Attachment(s):	<i>2014.01 KPIC CO SG_Att II.xls</i>

State:	Colorado	Filing Company:	Kaiser Permanente Insurance Company
TOI/Sub-TOI:	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
Product Name:	KPIC CO Small Group PPO		
Project Name/Number:	201401 KPIC CO SG PPO/201401 KPIC SG CO PPO		

Supporting Document Schedule Item Changes	
Satisfied - Item:	Actuarial Memorandum and Certifications
Comments:	
Attachment(s):	2014.01 KPIC CO SG_Cert.PDF 2014.01 KPIC CO SG Part III Actuarial Memorandum.pdf 2014.01 KPIC CO SG ActMemo_v2013.05.29.xls 2014.01 KPIC CO SG ActMemo_v2013.05.29_PDF of Required Excel Submission.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>Actuarial Memorandum and Certifications</i>
Comments:	
Attachment(s):	<i>2014.01 KPIC CO SG_Cert.PDF</i> <i>2014.01 KPIC CO SG Part III Actuarial Memorandum.pdf</i> <i>2014.01 KPIC CO SG ActMemo_v2013.05.29.xls</i>
<i>Previous Version</i>	
Satisfied - Item:	<i>Actuarial Memorandum and Certifications</i>
Comments:	
Attachment(s):	<i>2014.01 KPIC CO SG ActMemo.xls</i> <i>2014.01 KPIC CO SG_Cert.PDF</i> <i>2014.01 KPIC CO SG Part III Actuarial Memorandum.pdf</i>

Satisfied - Item:	Unified Rate Review Template
Comments:	
Attachment(s):	2014.01 KPIC CO SG_URRT.xlsm 2014.01 KPIC CO SG_URRT_PDF of Required Excel Submission.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>Unified Rate Review Template</i>
Comments:	
Attachment(s):	<i>2014.01 KPIC CO SG_URRT.xlsm</i>

State:	Colorado	Filing Company:	Kaiser Permanente Insurance Company
TOI/Sub-TOI:	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
Product Name:	KPIC CO Small Group PPO		
Project Name/Number:	201401 KPIC CO SG PPO/201401 KPIC SG CO PPO		

<i>Previous Version</i>	
Satisfied - Item:	<i>Unified Rate Review Template</i>
Comments:	
Attachment(s):	<i>2014 KPIC CO SG_URRT_2013051414218.xml</i>

Satisfied - Item:	Attachment II
Comments:	
Attachment(s):	2014.01 KPIC CO SG_Att II.xls 2014.01 KPIC CO SG_Att II_PDF of Required Excel Submission.pdf

<i>Previous Version</i>	
Satisfied - Item:	<i>Attachment II</i>
Comments:	
Attachment(s):	<i>2014.01 KPIC CO SG_Att II.xls</i>

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 2

Comments:

Please see the Supporting Documentation tab for the Colorado Actuarial Memorandum. The updated version of the Colorado Actuarial Memorandum submitted on 5/29/2013 includes an expanded explanation of the benefits covered by these policies

Related Objection 2

Comments: Regulation 4-2-11 section 6 (A) PPACA rate filing procedure (A) 5 Please provide; Product Descriptions: This section should describe the benefits provided by the policy. Must include EHB and list any substitution of benefits or any additional benefits above the EHB.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

SERFF Tracking #:	KFHP-129013801	State Tracking #:	278003	Company Tracking #:	2014.01 KPIC CO SG
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State:	Colorado	Filing Company:	Kaiser Permanente Insurance Company
TOI/Sub-TOI:	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
Product Name:	KPIC CO Small Group PPO		
Project Name/Number:	201401 KPIC CO SG PPO/201401 KPIC SG CO PPO		

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,
Aaron Ekstrom

State:	Colorado	Filing Company:	Kaiser Permanente Insurance Company
TOI/Sub-TOI:	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
Product Name:	KPIC CO Small Group PPO		
Project Name/Number:	201401 KPIC CO SG PPO/201401 KPIC SG CO PPO		

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	05/21/2013
Submitted Date	05/29/2013

Dear Cathy Gilliland,

Introduction:

Response 1

Comments:

Please see the post submission update for this information.

Related Objection 1

Comments: Please correct the requested filing mode to file and use.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 2

Comments:

Please see the post submission update for this information.

Related Objection 2

Comments: Please provide % amount on the rate rule schedule for all rate impact (0%).

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 3

State:	Colorado	Filing Company:	Kaiser Permanente Insurance Company
TOI/Sub-TOI:	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
Product Name:	KPIC CO Small Group PPO		
Project Name/Number:	201401 KPIC CO SG PPO/201401 KPIC SG CO PPO		

Comments:

Please see the updated actuarial memorandum.

Related Objection 3

Comments: Please provide the requested rate action on the Actuarial Memorandum as 0%.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Actuarial Memorandum and Certifications
Comments:	
Attachment(s):	2014.01 KPIC CO SG_Cert.PDF 2014.01 KPIC CO SG Part III Actuarial Memorandum.pdf 2014.01 KPIC CO SG ActMemo_v2013.05.29.xls
<i>Previous Version</i>	
Satisfied - Item:	Actuarial Memorandum and Certifications
Comments:	
Attachment(s):	2014.01 KPIC CO SG ActMemo.xls 2014.01 KPIC CO SG_Cert.PDF 2014.01 KPIC CO SG Part III Actuarial Memorandum.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 4

Comments:

All of these provisions have been implemented.

Related Objection 4

State:	Colorado	Filing Company:	Kaiser Permanente Insurance Company
TOI/Sub-TOI:	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
Product Name:	KPIC CO Small Group PPO		
Project Name/Number:	201401 KPIC CO SG PPO/201401 KPIC SG CO PPO		

Comments: Regulation 4-2-11 section 6 (E) Please indicate which of the following PPACA benefits your plan has implemented:

Eliminate Annual Dollar Limits on Essential Benefits, Section 2711 of the PHSA/Section 1001 of the PPACA

Eliminate Lifetime Dollar Limits on Essential Benefits, Section 2711 of the PHSA/Section 1001 of the PPACA

Eliminate Pre-existing Condition Exclusions for Enrollees Under Age 19, Section 2711 of the PHSA/Section 1201 of the PPACA

Prohibit Rescissions, Section 2712 of the PHSA/Section 1001 of PPACA

Preventive Services, Section 2713 of the PHSA/Section 1001 of the PPACA

Extends Dependent Coverage for Children Until age 26, Section 2714 of the PHSA/Section 1001 of the PPACA

Appeals Process, Section 2719 of the PHSA/Section 1001 of the PPACA

Emergency Services, Section 2719A of the PHSA/Section 10101 of the PPACA

Access to Pediatricians, Section 2719A of the PHSA/Section 10101 of the PPACA

Access to OB/GYNs, Section 2719A of the PHSA/Section 10101 of the PPACA

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,
Aaron Ekstrom

State:	Colorado	Filing Company:	Kaiser Permanente Insurance Company
TOI/Sub-TOI:	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
Product Name:	KPIC CO Small Group PPO		
Project Name/Number:	201401 KPIC CO SG PPO/201401 KPIC SG CO PPO		

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	05/21/2013
Submitted Date	05/22/2013

Dear Cathy Gilliland,

Introduction:

Response 1

Comments:

Please find attached the Excel version of the unified rate review template.

Related Objection 1

Comments: Please provide the United rate review template in a xls doc. We cannot open the xml doc.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Unified Rate Review Template
Comments:	
Attachment(s):	2014.01 KPIC CO SG_URRT.xlsm
<i>Previous Version</i>	
Satisfied - Item:	<i>Unified Rate Review Template</i>
Comments:	
Attachment(s):	<i>2014 KPIC CO SG_URRT_2013051414218.xml</i>

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,
Miranda Ross

State:	Colorado	Filing Company:	Kaiser Permanente Insurance Company
TOI/Sub-TOI:	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
Product Name:	KPIC CO Small Group PPO		
Project Name/Number:	201401 KPIC CO SG PPO/201401 KPIC SG CO PPO		

Amendment Letter

Submitted Date: 07/17/2013

Comments:
As per discussion with reviewers, all rating factors are now rounded to three decimal points and the base rate is rounded to two decimal points. Previously, the rating factors and base rate were unrounded for the calculations of rates. These changes have resulted in revised Rate Manual and Attachment II files. The Rate Template is being resubmitted via the Binder to reflect these changes.

Changed Items:
No Form Schedule Items Changed.

Rate/Rule Schedule Item Changes						
Item No.	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments	Date Submitted
1	Rate Manual	KPIC-GP-PPO-CO-NGF, KPIC-GC-Silver PPO-SG-2014-CO-NGF, KPIC-SCH-Silver PPO-SG-2014-CO-NGF	New		2014.01 KPIC CO SG_Att I_v7.17.13.pdf, By:	07/17/2013
<i>Previous Version</i>						
1	Rate Manual	KPIC-GP-PPO-CO-NGF, KPIC-GC-Silver PPO-SG-2014-CO-NGF, KPIC-SCH-Silver PPO-SG-2014-CO-NGF	New		2014.01 KPIC CO SG_Att I.pdf,	05/14/2013 By: Aaron Ekstrom

State:	Colorado	Filing Company:	Kaiser Permanente Insurance Company
TOI/Sub-TOI:	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
Product Name:	KPIC CO Small Group PPO		
Project Name/Number:	201401 KPIC CO SG PPO/201401 KPIC SG CO PPO		

Supporting Document Schedule Item Changes	
Satisfied - Item:	Attachment II
Comments:	As per discussion with reviewers, all rating factors are being rounded to three decimal points. The base rate is being rounded to two decimal points. Previously, the base rate and rating factors were unrounded. The revised Attachment II reflects rates based on rounded factors and rounded base rate.
Attachment(s):	2014.01 KPIC CO SG_Att II_v7.16.13.pdf 2014.01 KPIC CO SG_Att II_v7.16.13.xlsx
<i>Previous Version</i>	
Satisfied - Item:	<i>Attachment II</i>
Comments:	
Attachment(s):	<i>2014.01 KPIC CO SG_Att II.xls</i> <i>2014.01 KPIC CO SG_Att II_PDF of Required Excel Submission.pdf</i>
<i>Previous Version</i>	
Satisfied - Item:	<i>Attachment II</i>
Comments:	
Attachment(s):	<i>2014.01 KPIC CO SG_Att II.xls</i>

SERFF Tracking #:	KFHP-129013801	State Tracking #:	278003	Company Tracking #:	2014.01 KPIC CO SG
State:	Colorado	Filing Company:	Kaiser Permanente Insurance Company		
TOI/Sub-TOI:	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO				
Product Name:	KPIC CO Small Group PPO				
Project Name/Number:	201401 KPIC CO SG PPO/201401 KPIC SG CO PPO				

Amendment Letter

Submitted Date: 06/05/2013

Comments:

Please see attached addendum.

Changed Items:

No Form Schedule Items Changed.

No Rate Schedule Items Changed.

Supporting Document Schedule Item Changes	
Satisfied - Item:	Addendum_2013.06.05
Comments:	
Attachment(s):	2014.01 KPIC CO SG Addendum_2013.06.05.pdf

State: Colorado **Filing Company:** Kaiser Permanente Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
Product Name: KPIC CO Small Group PPO
Project Name/Number: 201401 KPIC CO SG PPO/201401 KPIC SG CO PPO

Note To Filer

Created By:

Rachel Plummer on 07/11/2013 01:48 PM

Last Edited By:

Rachel Plummer

Submitted On:

07/11/2013 01:48 PM

Subject:

Premium Comparison

Comments:

Per our phone call yesterday (7/10/2013), we have attached analysis the rates. We did a comparison of the dollar amounts in the Rate Data Template versus the factors you provided in the Rate Manual. Please see the attached spreadsheet that gives a summary of the specific plans that have issues, as well as a detailed comparison of the premiums we calculating using the factors given in the Rate Manual against the ones in the Rate Data Template. Again, we are not matching out the dollar amounts. There one plan is (at most) around \$6 off.

Please let us know if you have any further clarifications or questions regarding our analysis.

-Rachel Plummer

Attachment Kaiser Permanente SG Premium Comparison_Posted in SERFF on 2013.07.11.xlsb is not a PDF document and cannot be reproduced here.

State: Colorado **Filing Company:** Kaiser Permanente Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
Product Name: KPIC CO Small Group PPO
Project Name/Number: 201401 KPIC CO SG PPO/201401 KPIC SG CO PPO

Post Submission Update Request Processed On 06/04/2013

Status: Allowed
Created By: Miranda Ross
Processed By: Cathy Gilliland
Comments:

General Information:

Field Name	Requested Change	Prior Value
Requested Filing Mode	File & Use	Review & Approval

Company Rate Information:

Company Name:Kaiser Permanente Insurance Company

Field Name	Requested Change	Prior Value
Overall % Indicated Change	0.000%	
Overall % Rate Impact	0.000%	
Written Premium Change for this Program	\$0	
# of Policy Holders Affected for this Program	0	
Written Premium for this Program	\$0	
Maximum %Change (where required)	0.000%	
Minimum %Change (where required)	0.000%	

State:	Colorado	Filing Company:	Kaiser Permanente Insurance Company
TOI/Sub-TOI:	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
Product Name:	KPIC CO Small Group PPO		
Project Name/Number:	201401 KPIC CO SG PPO/201401 KPIC SG CO PPO		

Form Schedule

Lead Form Number: KPIC-GP-PPO-CO-NGF								
Item No.	Schedule Item Status	Form Name	Form Number	Form Type	Form Action	Action Specific Data	Readability Score	Attachments
1		Group Insurance Policy	KPIC-GP-PPO-CO-NGF	POL	Initial			
2		Certificate of Insurance	KPIC-GC-Silver PPO-SG-2014-CO-NGF	CER	Initial			
3		Schedule of Coverage	KPIC-SCH-Silver PPO-SG-2014-CO-NGF	OUT	Initial			

Form Type Legend:

ADV	Advertising	AEF	Application/Enrollment Form
CER	Certificate	CERA	Certificate Amendment, Insert Page, Endorsement or Rider
DDP	Data/Declaration Pages	FND	Funding Agreement (Annuity, Individual and Group)
MTX	Matrix	NOC	Notice of Coverage
OTH	Other	OUT	Outline of Coverage
PJK	Policy Jacket	POL	Policy/Contract/Fraternal Certificate
POLA	Policy/Contract/Fraternal Certificate: Amendment, Insert Page, Endorsement or Rider	SCH	Schedule Pages

SERFF Tracking #: KFHP-129013801

State Tracking #: 278003

Company Tracking #: 2014.01 KPIC CO SG

State: Colorado

Filing Company: Kaiser Permanente Insurance Company

TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO

Product Name: KPIC CO Small Group PPO

Project Name/Number: 201401 KPIC CO SG PPO/201401 KPIC SG CO PPO

Rate Justification

State: Colorado **Filing Company:** Kaiser Permanente Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
Product Name: KPIC CO Small Group PPO
Project Name/Number: 201401 KPIC CO SG PPO/201401 KPIC SG CO PPO

Rate Methodology

Experience Used for Rate Setting: KPIC's 2012 PPO SG NGF experience is used at a 33 redibility level given the limited amount of enrollment. This data was blended with manual rating material established via independent national actuarial rating manual.

2012 Experience Period Loss Ratio:

Annual Health Cost Trends: 93.3 based on an average of only 222 lives enrolled with \$1.6 Million in premium (\$611.75 pmpm).

Risk Adjustment: No payments expected from the federal Risk Adjustment Program in 2014).

Smoking Factor: 0 same rates for smokers and non-smokers at all ages.

Age Rating: 3.0 to 1.0 age rating factor limits for all adults age 21 and over.

Colorado 2014 Overall Average Premium: \$600.17 pmpm

* Federal Reported 2014 Comparable Average Premium: \$600.17 pmpm

* This is reported on the issuer's CMS URRT Form submitted in HIOS. It represents a standardized average premium calculation that is used by CMS for comparing and gauging premium development. It is not necessarily the actual average premium, which is shown in the line above as Colorado 2014 Overall Average Premium.

Premium Retained to Cover Expenses, Taxes Fees and Profits

Administrative costs: Expenses the insurance company pays to operate this insurance plan.

This includes all expenses not directly related to paying claims, such as, but not limited to, salaries of company employees, the cost of the company's offices and equipment, commissions to agents to sell and service policies, subsidies to cover legally required plans such as portability, and taxes.

Profit: The amount of money remaining after claims and administrative expenses are paid. Margin is the comparable term for a nonprofit insurance company.

The average expected premium retained is 15.0

f Premium

Issuer Primary Expense and Profit Retention Retained

Administrative Expenses: 9.07 * Commissions: 0.00 Capital and Contingencies Margin: 1.50 FIT - Federal Income Taxes: 0.00

Investment Income: 0.00A) Total: 10.57

Retention for Additional Required Taxes, Fees and Assessments

PPACA Health Insurer Fee and PCORI Fee: 1.31 PPACA Reinsurance Fee and RA Fee: 0.74 PPACA Risk Adjustment User

Fee: 0.01 PPACA PCORI Fee: 0.02 Exchange user fees: (Off-Exchange Products) 0.00 Premium Taxes: 2.35 State Income Taxes: 0.00 Other Fees, Assessments, Taxes: 0.00B) Total: 4.43

(C) Total Premium Retention For All Purposes (A B): 15.00

(D) Colorado Conventional Loss Ratio (100 D): 85.00

Simplified Federal MLR Loss Ratio Basis: (C) / (100 B - FIT): 88.94

*KFHP of CO and KPIC PPO jointly oversee and administer the KPIC products, subsequently some expenses, such as commissions, are addressed by KFHP of CO.

Sample of Final Premium Levels

Denver Fort Collins

21 Year Old 64 Year Old 21 Year Old 64 Year Old

State: Colorado **Filing Company:** Kaiser Permanente Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
Product Name: KPIC CO Small Group PPO
Project Name/Number: 201401 KPIC CO SG PPO/201401 KPIC SG CO PPO

LOW High Low High Low High Low High

Silver \$418.81 \$418.81 \$1,256.42 \$1,256.42 \$418.81 \$418.81 \$1,256.42 \$1,256.42

Grand Junction Pueblo

21 Year Old 64 Year Old 21 Year Old 64 Year Old

Low High Low High Low High Low High

Silver \$418.81 \$418.81 \$1,256.42 \$1,256.42 \$418.81 \$418.81 \$1,256.42 \$1,256.42

Division Objections and Rate Changes During the Review Process

The Division objected to small differences in rates of \$1 or less between the rate manual and the rate template. Kaiser corrected their floating rate calculations to use the same fixed factors as contained in the rate manual.

Final Rate Filing Disposition

The Division has filed the rates in their final form after all adjustments.

State:	Colorado	Filing Company:	Kaiser Permanente Insurance Company
TOI/Sub-TOI:	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
Product Name:	KPIC CO Small Group PPO		
Project Name/Number:	201401 KPIC CO SG PPO/201401 KPIC SG CO PPO		

Rate Information

Rate data applies to filing.

Filing Method:	File and Use
Rate Change Type:	%
Overall Percentage of Last Rate Revision:	%
Effective Date of Last Rate Revision:	
Filing Method of Last Filing:	

Company Rate Information

Company Name:	Company Rate Change:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):	
Kaiser Permanente Insurance Company	New Product	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%	
Product Type:		HMO	PPO	EPO	POS	HSA	HDHP	FFS	Other
Covered Lives:									
Policy Holders:									

State: Colorado **Filing Company:** Kaiser Permanente Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
Product Name: KPIC CO Small Group PPO
Project Name/Number: 201401 KPIC CO SG PPO/201401 KPIC SG CO PPO

Rate Review Detail

COMPANY:

Company Name: Kaiser Permanente Insurance Company
HHS Issuer Id: 35944
Product Names: KP CO Silver PPO 1500/40
Trend Factors: 6.5% medical; 9.5% pharmacy; 6.9% total

FORMS:

New Policy Forms: KPIC-GP-PPO-CO-NGF, KPIC-GC-Silver PPO-SG-2014-CO-NGF,
KPIC-SCH-Silver PPO-SG-2014-CO-NGF

Affected Forms:

Other Affected Forms:

REQUESTED RATE CHANGE INFORMATION:

Change Period: Annual
Member Months: 382
Benefit Change:
Percent Change Requested: Min: Max: Avg:

PRIOR RATE:

Total Earned Premium:
Total Incurred Claims:
Annual \$: Min: Max: Avg:

REQUESTED RATE:

Projected Earned Premium: 237,000.00
Projected Incurred Claims: 201,450.00
Annual \$: Min: 266.00 Max: 1,320.00 Avg: 621.00

State:	Colorado	Filing Company:	Kaiser Permanente Insurance Company
TOI/Sub-TOI:	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
Product Name:	KPIC CO Small Group PPO		
Project Name/Number:	201401 KPIC CO SG PPO/201401 KPIC SG CO PPO		

Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		Rate Manual	KPIC-GP-PPO-CO-NGF, KPIC-GC-Silver PPO-SG-2014-CO-NGF, KPIC-SCH-Silver PPO-SG-2014-CO-NGF	New		2014.01 KPIC CO SG_Att I_v7.17.13.pdf,

**Kaiser Permanente Insurance Company
Colorado: Small Group
Rating Factors**

**Attachment I-a
Rating Formula**

Member Rate Calculation

Base Rate	a
Trend Factor	b
Geographic Location Factor	c
Plan Design Factor	d
Non-EHB Factor	e
Administrative Factor	f
Age Factor	g
<hr/> Member Rate	<hr/> $h = a * b * c * d * e * f * g$

Family - Maximum Child

The rates of each individual member are added together to arrive at a family premium. In computing the family premium, the rates of only the three eldest child dependents under the age of 21 are included. All child dependents age 21 and older are included in the family premium calculation.

Required Group Premium

Total group premium is determined by summing the individual and family premiums as determined via the formulas and dependent child caps indicated above.

- * A penny was subtracted off age 64 and over rates in order for the rates to validate during the SERFF rate template upload.

Kaiser Permanente Insurance Company
Colorado: Small Group
Rating Factors

Attachment I-b
Index and Quarterly Trend Factor

Effective Date	Base
1/1/2014	\$546.70

Effective Date	Trend Factor
1/1/2014	1.000
4/1/2014	1.017
7/1/2014	1.034
10/1/2014	1.051

Kaiser Permanente Insurance Company
Colorado: Small Group
Rating Factors

Attachment I-c
Geographic Rating Factors

Rating Area	Counties	Factor
Rating Area 1	Boulder	1.000
Rating Area 2	El Paso, Teller	1.000
Rating Area 3	Adams, Arapahoe, Broomfield, Clear Creek, Denver, Douglas, Elbert, Gilpin, Jefferson, Park	1.000
Rating Area 4	Larimer	1.000
Rating Area 5	Mesa	1.000
Rating Area 6	Weld	1.000
Rating Area 7	Pueblo	1.000
Rating Area 8	Alamosa, Baca, Bent, Chaffee, Cheyenne, Conejos, Costilla, Crowley, Custer, Fremont, Huefano, Kiowa, Kit Carson, Las Animas, Lincoln, Mineral, Otero, Prowers, Rio Grande, Saguache	1.000
Rating Area 9	Logan, Morgan, Phillips, Sedgwick, Washington, Yuma	1.000
Rating Area 10	Archuleta, Delta, Dolores, Grand, Gunnison, Hinsdale, Jackson, La Plata, Lake Moffat, Montezuma, Montrose, Ouray, Rio Blanco, Routt, San Juan, San Miguel	1.000
Rating Area 11	Eagle, Garfield, Pitkin, Summit	1.000

- * KPIC provides PPO coverage and are only offered in combination with Kaiser Foundation Health Plan of CO (KFHP) HMO products to groups with individuals living out of the KFHP service areas. KFHP and KPIC jointly oversee and administer the KPIC products.

Kaiser Permanente Insurance Company
Colorado: Small Group
Rating Factors

Attachment I-d
Allowable Modifiers by Plan: Plan Design Factor

Plan	Metallic Level	Name	Exchange Offering	Factor
35944CO0020001	Silver	KP CO Silver PPO 1500/40	Off	0.657

Kaiser Permanente Insurance Company
Colorado: Small Group
Rating Factors

Attachment I-e
Allowable Modifiers by Plan: Non-EHB

Name	Non-EHB
KP CO Silver PPO 1500/40	1.000

Kaiser Permanente Insurance Company
Colorado: Small Group
Rating Factors

Attachment I-f
Allowable Modifiers by Plan: Administrative Factor

Name	Factor
KP CO Silver PPO 1500/40	1.166

Kaiser Permanente Insurance Company
Colorado: Small Group
Rating Factors

Attachment I-g
Age Rating Factors

Age	Factor
20 and Under	0.635
21	1.000
22	1.000
23	1.000
24	1.000
25	1.004
26	1.024
27	1.048
28	1.087
29	1.119
30	1.135
31	1.159
32	1.183
33	1.198
34	1.214
35	1.222
36	1.230
37	1.238
38	1.246
39	1.262
40	1.278
41	1.302
42	1.325
43	1.357
44	1.397
45	1.444
46	1.500
47	1.563
48	1.635
49	1.706
50	1.786
51	1.865
52	1.952
53	2.040
54	2.135
55	2.230
56	2.333
57	2.437
58	2.548
59	2.603
60	2.714
61	2.810
62	2.873
63	2.952
64	3.000
65 and over	3.000

State:	Colorado	Filing Company:	Kaiser Permanente Insurance Company
TOI/Sub-TOI:	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
Product Name:	KPIC CO Small Group PPO		
Project Name/Number:	201401 KPIC CO SG PPO/201401 KPIC SG CO PPO		

Supporting Document Schedules

Bypassed - Item:	HR-1 Form (H)
Bypass Reason:	Form no longer required by state
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Consumer Disclosure Form
Bypass Reason:	Initial product filing; threshold not met or exceeded.
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Actuarial Memorandum and Certifications
Comments:	
Attachment(s):	2014.01 KPIC CO SG_Cert.PDF 2014.01 KPIC CO SG Part III Actuarial Memorandum.pdf 2014.01 KPIC CO SG ActMemo_v2013.05.29.xls 2014.01 KPIC CO SG ActMemo_v2013.05.29_PDF of Required Excel Submission.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Unified Rate Review Template
Comments:	
Attachment(s):	2014.01 KPIC CO SG_URRT.xlsm 2014.01 KPIC CO SG_URRT_PDF of Required Excel Submission.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Exhibit I
Comments:	

State:	Colorado	Filing Company:	Kaiser Permanente Insurance Company
TOI/Sub-TOI:	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
Product Name:	KPIC CO Small Group PPO		
Project Name/Number:	201401 KPIC CO SG PPO/201401 KPIC SG CO PPO		

Attachment(s):	2014.01 KPIC CO SG_Ex 1.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Attachment II
Comments:	As per discussion with reviewers, all rating factors are being rounded to three decimal points. The base rate is being rounded to two decimal points. Previously, the base rate and rating factors were unrounded. The revised Attachment II reflects rates based on rounded factors and rounded base rate.
Attachment(s):	2014.01 KPIC CO SG_Att II_v7.16.13.pdf 2014.01 KPIC CO SG_Att II_v7.16.13.xlsx
Item Status:	
Status Date:	

Satisfied - Item:	Vaughn Index
Comments:	
Attachment(s):	2014.01 KPIC CO SG_Vaughn Index.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Letter of Authority
Comments:	
Attachment(s):	CO_OX_Rates Filing_Ltr of Auth_05-13-2013.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Addendum_2013.06.05
Comments:	
Attachment(s):	2014.01 KPIC CO SG Addendum_2013.06.05.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Retention Request
Comments:	

SERFF Tracking #:	KFHP-129013801	State Tracking #:	278003	Company Tracking #:	2014.01 KPIC CO SG
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State:	Colorado	Filing Company:	Kaiser Permanente Insurance Company
TOI/Sub-TOI:	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
Product Name:	KPIC CO Small Group PPO		
Project Name/Number:	201401 KPIC CO SG PPO/201401 KPIC SG CO PPO		

Attachment(s):	2014.01 KPIC CO SG Retention_2013.07.11.xlsx 2014.01 KPIC CO SG Retention_2013.07.11.pdf
Item Status:	
Status Date:	

SERFF Tracking #:	KFHP-129013801	State Tracking #:	278003	Company Tracking #:	2014.01 KPIC CO SG
<hr/>					
State:	Colorado	Filing Company:	Kaiser Permanente Insurance Company		
TOI/Sub-TOI:	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO				
Product Name:	KPIC CO Small Group PPO				
Project Name/Number:	201401 KPIC CO SG PPO/201401 KPIC SG CO PPO				

Attachment 2014.01 KPIC CO SG ActMemo_v2013.05.29.xls is not a PDF document and cannot be reproduced here.

Attachment 2014.01 KPIC CO SG_URRT.xlsm is not a PDF document and cannot be reproduced here.

Attachment 2014.01 KPIC CO SG_Att II_v7.16.13.xlsx is not a PDF document and cannot be reproduced here.

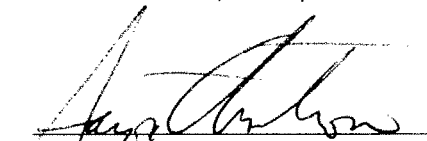
Attachment 2014.01 KPIC CO SG Retention_2013.07.11.xlsx is not a PDF document and cannot be reproduced here.

Kaiser Permanente Insurance Company
HIOS Issuer ID 35944
Colorado: Small Group
Effective Date: January 1, 2014

ACTUARIAL CERTIFICATION
HIOS Product ID 35944CO002

I relied on others within the company to provide certain data and analyses, as referenced throughout the actuarial memorandum. Steps were taken by me to ensure that the information provided is reasonable and reflects an adequate representation of the information necessary to complete this filing.

I, Aaron Ekstrom, am an Actuarial Director for Kaiser Foundation Health Plan, Inc. for Colorado. I am a member of the American Academy of Actuaries and I meet the qualification standards of the American Academy of Actuaries to render the actuarial opinion contained herein. Based on information provided to me by KFHP and KPIC, I hereby certify that, to the best of my knowledge and belief, the proposed rates are not excessive, inadequate or unfairly discriminatory.


Aaron D Ekstrom, FSA, MAAA
Actuarial Director

5/14/2013
Date

Kaiser Permanente Insurance Company
Colorado: Small Group
Effective Date: January 1, 2014

ACTUARIAL MEMORANDUM
HIOS Issuer ID 35944
HIOS Product IDs 35944CO002

A. General Information

This memorandum and the accompanying exhibits represent documentation to support the filing of new product rates for Kaiser Permanente Insurance Company (KPIC) Colorado small group products, effective January 1, 2014 to be sold off of the Colorado State Exchange. This rate filing applies to forms that are open to new sales including single, family and child only contracts and does not cover products that existed prior to 2014. This actuarial memorandum documents the assumptions and sources of data pertaining to the development of premium rates for all quarters of 2014. The latest effective date for which a rate increase is being submitted is 10/1/2014. The discussion within this actuarial memorandum is limited to the information contained in the federal Uniform Rate Review Template being submitted in conjunction with this memorandum.

As of January 1, 2014, KPIC will be introducing new PPO products to comply with current and developing Federal and State requirements as indicated through the Affordable Care Act (ACA) and corresponding regulations and interpretations.

KPIC PPO products are only offered in combination with Kaiser Foundation Health Plan of CO (KFHP) HMO products to groups with individuals living out of the KFHP service areas. KFHP and KPIC jointly oversee and administer the KPIC products. Products are marketed and issued through brokers, internet, and direct sales, including on and off the Colorado State Exchange, as appropriate. Member-level premiums for any given plan vary by member demographics. The rates of each individual member are added together to arrive at a family premium. In computing the family premium, the rates of only the three eldest child dependents under the age of 21 are included. Premiums are compliant with the 3:1 age requirement.

Products referenced herein cover the required Essential Health Benefits (EHB). KPIC is not including any benefit substitutions in its plans.

I, Aaron Ekstrom, Actuarial Director for Kaiser Foundation Health Plan, Inc. (Kaiser), am a member of the American Academy of Actuaries. I am the primary contact for submission of this filing. My telephone number is 303-306-2672 and my email address is Aaron.D.Ekstrom@kp.org.

B. Proposed Rate Increases

This filing is for the introduction of new products and therefore no rate increases are being proposed effective 1/1/2014. Rates are being trended quarterly for the rest of 2014 at an annual trend rate of 6.9%.

C. Experience Period Premium and Claims

Calendar year 2012 allowed costs were used as the starting point for development of the market-wide index rate. Due to the timing of the submission, the data included is for medical costs incurred between 1/1/2012 and 12/31/2012, and paid through 12/31/2012.

Base period data:

The Revenue Requirement for 2014 for these new products is developed by accumulating Colorado specific medical and administrative expenses for essential health benefits (EHB) for non-grandfathered

Small Group business, incurred and paid in the period January 2012 through December 2012 including the incurred but not reported estimates. Allowed cost data includes fee for service claims and prescription drug claims. Allowed claims for external expenses are calculated as paid plus member cost sharing. Earned premiums represent the dues paid by members for coverage during the experience period. No rebates were payable during the experience period.

Incurred Estimates:

A common reserve tool developed and maintained by Kaiser Actuarial Services is used to set Kaiser's IBNR reserves. Kaiser's common reserve tool uses historical claim lag averages to project anticipated future payments. IBNR levels have been set for medical and pharmacy categories, for allowed costs, utilization per thousand, and external cost sharing amounts. The completion factors used to complete the base period external claims are taken from Kaiser's overall KFHP experience commercial line of business. The claims are incurred and paid in 2012 so a 12/12 completion factor is used.

Benefit Categories:

The benefit categories in Section II of Worksheet I of the URRT are mapped within Kaiser's internal data systems based on type of service and place of treatment codes. For example:

<u>Benefit Category</u>	<u>Services</u>
Inpatient Hospital	Inpatient Facility, Hospital Inpatient – Maternity, Hospital Inpatient – Non Maternity
Outpatient Hospital	Outpatient Facility, Emergency/Urgent Care, Cardiovascular, PT/OT/ST, Chemotherapy, Dialysis
Professional	Diagnostic Services, Office Visits, Professional portion of: Inpatient Visits, Outpatient Surgery, Cardiovascular, PT/OT/ST, Chemotherapy, Dialysis
Other Medical	Other Services
Capitation	None (experience period)
Prescription Drug	Pharmacy

D. Projection Factors

Changes in the Morbidity of the Population Insured:

No material changes in morbidity are being assumed for this population.

Other Adjustments:

Non-EHB:

An adjustment has been made the base period allowed amount to remove the Non-EHB since new products may only include EHB. To develop this multiplier, historical experience was pulled by detailed service category. The service categories were bucketed based upon EHB definitions; line items deemed non-EHB (e.g., adult vision exams) were aggregated and removed from the total. The remaining EHB amount was divided by the total in order to determine the historical EHB percentage. This multiplier was calculated in aggregate for the small group line of business, and the same multiplier has been applied to both KFHP and KPIC products.

Utilization copayment effect adjustment:

Allowed claims are adjusted for anticipated changes in the average utilization of services due to average cost sharing requirements in the projection period compared to the base period. Member cost sharing results in lower utilization and, thus, lower allowed costs, than would otherwise occur in a zero cost share environment. To account for differences in expected utilization due to different plan designs in the projection period and in the base period, an estimate based upon industry standard factors has been made at the plan level to adjust the base period data to what is expected under the new plan designs.

Demographic and Geographic Area Normalization:

No material changes in demographics or geographic area are being assumed for this population.

Trend Factors:

For 2012 to 2014, the projected total annual benefit expense trend of 6.9% has been assumed based upon expected industry changes and due to offering conditions, consistency with KFHP small group pricing assumptions for the same period. For medical, the average cost and average utilization components have been assumed at 5% and 1.3%, respectively while for pharmacy, 8% and 1.3% have been assumed.

E. Credibility Manual Rate Development

Based upon the Colorado standard of 2,000 life years, it is assumed that the base experience is partially credible; specifically 33%.

The manual rate section has been developed using pricing data from an independent national actuarial consulting firm and has been assigned 67% weight. The manual rate was developed using industry standard data in a model from an independent national actuarial consulting firm. The allowed costs are based upon the specific benefit design to be offered in the 2014 portfolio. The underlying population within the model is a standard industry population.

F. Paid to Allowed Ratio

The Paid to Allowed Average Factor in Projection Period in Section III of Worksheet I is a composite of the plan factor (paid compared to 100% coverage allowed) and utilization copayment effect factor (allowed compared to 100% coverage allowed) for the new plan in Worksheet II. Paid to allowed factors were calculated as the ratio of the plan factor to the utilization copayment effect factor in order to obtain expected paid compared to expected allowed for each plan. The development of the plan factor is discussed in the "Plan Factor Development" below.

G. Risk Adjustment and Reinsurance

Risk Adjustment:

The resulting projected 2014 average incurred cost amount is adjusted to reflect the risk adjustment payments anticipated in the rating period based on the expected risk profile relative to the market. The relative morbidity of the current Kaiser (KFHP+KPIC) small group risk pool compared to the market has been developed in consideration of data from a statewide study performed by an independent actuarial consulting firm. It is assumed that the Kaiser risk pool is comparable to the market and therefore no risk adjustment is being assumed in rating.

Reinsurance:

This section is blacked out when "small group" is selected as the market in the URRT. Therefore, reinsurance fees are included below in the taxes and fees section.

H. Non-Benefit Expenses and Profit & Risk

Administrative Expense Load:

Retention includes general administrative including utilization management and TPA expenses.

Taxes and Fees:

This line item reflects the PCORI fee, the insurer tax, risk adjustment fees, reinsurance fees, and exchange fees that will apply in 2014. The exchange fee impact has been determined by applying the 1.4% of premium amount to expected exchange membership only, then spreading this amount to all plans, on and off exchange; note that because this product will only be offered off exchange, this impact is 0%. The taxes and fees line item also reflects the required state premium tax.

I. Projected Loss Ratio

Under the state of Colorado's definition, the projected loss ratio is expected to be 85%. Due to the allowable adjustments to calculate the loss ratio under the federally prescribed MLR method, premiums used to develop the state projected loss ratio will be reduced by the PCORI fee, the insurer tax, risk adjustment fee, exchange fee, reinsurance fee and premium tax. The resulting MLR is expected to be 89%.

J. Index Rate

The experience period index rate is the experience period allowed costs, as described in Section C above, times the non-EHB multiplier, described in Section D above. To develop this multiplier, historical experience was pulled by detailed service category. The service categories were bucketed based upon EHB definitions; line items deemed non-EHB (e.g., adult vision exams) were aggregated and removed from the total. The remaining EHB amount was divided by the total in order to determine the historical EHB percentage. This multiplier was calculated in aggregate for the small group line of business, and the same multiplier has been applied to both KFHP and KPIC products.

The projected period index rate was then developed by applying all the other projection factors discussed in Section D. Note that because small group rates will be trended quarterly, a weighted average of the four different index rates in place in 2014 has been calculated and is shown as the projected period index rate in the URRT. Because the projected period allowed cost value reflects calendar year 2014 costs assuming all groups are on a calendar year contract, this value is lower than what is shown as the projected period index rate.

The January 2014 index rate was then adjusted by applying the utilization copayment adjustment for the plan offered in 2014 in order to true up utilization to what would be expected under a situation of 100% coverage since the reference plan used as the basis for the AV pricing values is a \$0 cost share plan.

As described in sections above, adjustments were applied to the projected index rate for expected risk adjustment impacts and fees, net reinsurance recoveries, and exchange fees. Plan level adjustments are then applied to reflect the following:

- The actuarial value and cost sharing design of the plan
- Administrative costs, excluding Exchange user fees and reinsurance and risk adjustment fees

Administrative costs for medical benefits were developed at an aggregate level for all plans based on historical administrative cost PMPMs trended to 2014, taking into account any expected changes in costs.

K. AV Metal Values

The AV Calculator was used to determine all AV Metal Values shown in Worksheet 2 of the URRT.

L. AV Pricing Values

The rates for specific plans are calculated by multiplying plan factors times the adjusted index rate as described in the prior section. The plan factors use industry standard data in a model from an independent national actuarial consulting firm to calculate the impact of the various cost share and plan elements for EHBs, including utilization copayment effect. Therefore, these plan factors reflect both member cost share and the resulting dampening of expected utilization due to those cost shares. The underlying population within the model is a standard industry population.

The reference plan used as the basis for the AV pricing values is a \$0 cost share plan valued using the same industry standard factors described above.

M. Membership Projections

Reliance has been placed upon work performed by others within the company to develop membership projections. The 2014 enrollment projections were developed based upon historical health plan enrollment trends, the anticipated competitiveness of KFHP/KPIC premiums relative to other carriers in market, the expected impacts of the ACA legislation--e.g. increased regulation, greater standardization of benefit plans, premium tax credits and cost-sharing reductions, etc.--and the projected size of the commercial Individual and Small Group market on and off of the exchange. As small groups and their member are able to enroll throughout the year, only expected calendar year 2014 exposure has been reflected in the URRT

N. Terminated Products

All products offered prior to 1/1/2014 will be terminated effective 1/1/2014. The terminated products are the "PPO" product with a Product ID of 35944CO002.

O. Plan Type

Plan type PPO, which adequately describes the plans being offered, has been selected for all plans.

P. Warning Alerts

The following warning alerts are occurring in the URRT:

- Cell A82 contains a warning because the projected premium on Worksheet 2 does not exactly match the projected premium on Worksheet 1. The difference of <0.01% is considered within a reasonable bound.
- A warning regarding worksheet 1, Market Experience Index Rate For Projection Period (Cell V44) must be less than or equal to Projected Allowed Experience Claims PMPM (w/applied credibility if applicable), After Credibility Total (Cell V32). As rates are trending quarterly, this will not be the case.
- There is a warning regarding the values in cells K24:K29 on Worksheet 1. The warning states that the values in these cells must be greater than 0; however, the value of 0.954 in these cells is greater than 0.
- There is a warning stating that no historical rate increase data has been entered in rows 21-23 for the product "PPO" (with Product IDs 35944CO002). These are newly introduced products and therefore do not have historical rate increase information.

Q. Effective Rate Review Information

Colorado has been deemed to have an effective rate review program. Colorado has additional requirements that have been addressed in the submission to the state. Please refer to the Colorado actuarial memorandum and associated exhibits for additional information and support of the rates being submitted.

R. Reliance

I relied on others within the company to provide certain data and analyses, as referenced throughout this memorandum. Steps were taken by me to ensure that the information provided is reasonable and reflects an adequate representation of the information necessary to complete this filing.

S. Actuarial Certification

I, Aaron Ekstrom, am an Actuarial Director for Kaiser Foundation Health Plan, Inc. for Colorado. I am a member of the American Academy of Actuaries and I meet the qualification standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

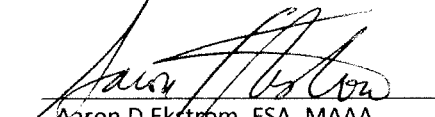
Based on information provided to me by KFHP and KPIC, I hereby certify that, to the best of my knowledge and belief:

The development of the index rate complies with the applicable State and Federal Statutes and Regulations 45 CFR 156.80(d)(1) and has been done in accordance with applicable Actuarial Standards of Practice. The KPIC market-wide index rate is reasonable in relation to the benefits being provided and the population anticipated to be covered and is neither excessive nor deficient.

The index rate and only the allowable modifiers as described in 45 CFR 156.80(d)(1) and 45 CFR 156.80(d)(2) were used to generate plan level rates.

The percent of total premium that represents essential health benefits included in Worksheet 2, Sections III and IV were calculated in accordance with actuarial standards of practice.

The AV Calculator was used to determine all AV Metal Values shown in Worksheet 2 of the URRT, using the best assumptions as to how to enter benefits into the calculator as established within Kaiser Permanente's Actuarial Services Department.


Aaron D Ekstrom, FSA, MAAA
Actuarial Director

5/14/2013
Date

ACTUARIAL MEMORANDUM

Pursuant to Colorado Regulation 4-2-11 Section 6, rate filings must contain an Actuarial Memorandum. The Division of Insurance developed this template Memorandum, to reduce the number of returned incomplete filings. For additional information and table General filing requirements, Actuarial Certification requirements, and submission requirements are identified in Section 5 of Colorado Regulation 4 requirements by line of business, see Section 7 of this regulation. Rate filings submitted without ALL requirements of the regulations could be disapproved or rejected by the Colorado Division of Insurance.

Company:	Kaiser Permanente Insurance Company
State & Business Line	Colorado: Small Group
NAIC #:	60053
SERFF Filing #:	KFHP-129013801
SERFF Binder Filing #:	KFHP-CO14-125001124

A: SUMMARY	
1. Reason(s):	This memorandum and the accompanying exhibits represent documentation to support the filing of new product rates for Kaiser Permanente Insurance Company (KPIC) Colorado small group products, effective January 1, 2014 to be sold off the Colorado State Exchange. This rate filing is to comply with current and developing Federal and State requirements as indicated by the Affordable Care Act (ACA) and corresponding regulations and interpretations. This filing applies to forms that are open to new sales including single, family and child only contracts and does not cover products that existed prior to 2014. This actuarial memorandum documents the assumptions and sources of data pertaining to the development of premium rates for all quarters of 2014. The discussion within this actuarial memorandum is limited to the information included in this Excel file, the attached Exhibits 1-5, the federal Uniform Rate Review Template, and Attachments I & II being submitted in conjunction with this memorandum.
2. Requested Rate Action:	N/A - Initial Product Filing.
3. Marketing method(s):	Products are marketed and issued through brokers, internet, and direct sales, both on and off the Colorado State Exchange.
4. Premium Classification(s):	Member-level premiums for any given plan vary by member demographics. The rates of each individual member are added together to arrive at a family premium. In computing the family premium, the rates of only the three eldest child dependents under the age of 21 are included. Premiums are compliant with the 3:1 age requirement. KPIC will not be implementing tobacco use rating at this time for its small group business. KPIC provides PPO coverage and are only offered in combination with Kaiser Foundation Health Plan of CO (KFHP) HMO products to groups with individuals living out of the KFHP service areas. KFHP and KPIC jointly oversee and administer the KPIC products. Products referenced herein cover the Essential Health Benefits (EHB) as defined under the ACA: 1. Ambulatory patient services 2. Emergency services 3. Hospitalization 4. Maternity and newborn care 5. Mental health and substance use disorder services, including behavioral health treatment 6. Prescription drugs 7. Rehabilitative and habilitative services and devices 8. Laboratory services 9. Preventive and wellness services and chronic disease management
5. Product Description(s):	KPIC is not including any benefit substitutions in its plans nor including any benefits above the EHB requirements.
6. Policy/Rider Impacted:	Please see "Forms" tab
7. Age Basis:	Premiums are charged on a renewal age basis
8. Renewability provision:	Guaranteed Renewable
Additional Information:	Benefit ratios as developed on a state requirement are not necessarily comparable to the federal definition of medical loss ratio per the ACA and resulting regulations. In addition to this Actuarial Memorandum, please refer to the "Part III Actuarial Memorandum" for additional details and further discussion regarding the Federal Uniform Rate Review Template.

B. ASSUMPTION, MERGER OR ACQUISITION	
1. Is product part of assumption, acquisition, or merger (from or with another company)?	No
Assumption:	
Acquisition:	
Merger:	
2. If yes, provide name of company(s):	
3. Closing Date of assumption, merger or acquisition:	
Additional Information:	

C. RATING PERIOD	
Proposed Effective Date: (may not say "upon approval")	1/1/2014
Rating Period:	Rate are effective for 12 months. Quarterly increases to the index rate will be applied
Rating Period Dates:	1/1/2014 - 12/31/2014

D. EFFECT OF LAW CHANGES	
Identify and quantify changes resulting from mandated benefits and other law changes:	
Additional Information:	N/A

E. RATE HISTORY	
Provide rate changes made in at least the last three years (if available)	N/A (Initial Filing)

F. COORDINATION OF BENEFITS	
Provides actual loss experience net of any savings:	The rating methodology uses actual experience that is net of any collection of coordination of benefit amounts, and therefore results in an equitable reduction in premiums for all policyholders.
Additional Information:	

G. RELATIONSHIP OF BENEFITS TO PREMIUM	
Description	Percentage
General Administration	9.1%
Reinsurance / Risk Adjustment Fees	0.8%
Exchange Fees	0.0%
Insurer Tax + PCORI Fee	1.3%
Premium Tax	2.4%
Profit / Contingency Margin	1.5%
Other	0.0%
Total Retention:	15.0%
Targeted Loss Ratio:	85.0%
Additional Information:	<p>Retention includes broker commissions, administrative expenses, and general management expenses.</p> <p>Retention also includes the following ACA-related taxes that will apply in 2014: the PCORI fee, the insurer tax, risk adjustment and reinsurance fees, and exchange fees. Risk adjustment, reinsurance, and exchange fees have all been incorporated into the base rate development, whereas the PCORI fee and the insurer tax have been included in the plan level retention adjustment. Note that although exchange fees are shown as a line item, the fee impact is 0% because this product will only be sold off exchange. Please refer to Exhibit 3 for additional information.</p> <p>It is expected that KPIC will meet the requirements of the federally defined medical loss ratio. The expense loading reflects the operating methods of the company and its anticipated expenses in Colorado.</p>

H. Profit and Contingency Margin	
1. Capital and Contingency Margin	1.5%
2. Proposed load in excess of 7% after tax.	
Provide detailed support:	The target profit and contingency margin for 2014 is 1.5% for this block of business
Additional Information:	

I. DETERMINATION OF PROPOSED RATES	
Include all underlying rating assumptions, with detailed support for each assumption. This explanation may be on an aggregate expected loss basis or as a per-member-per-month (PMPM) basis. (this can be attached with support in a pdf document)	
1. Explain, in detail, how rates and/or rate changes were developed:	<p>The following addresses development of the index rate as summarized in Exhibit 1. As indicated in Section K, partial credibility has been assumed on the base experience.</p> <p>Calendar year 2012 allowed costs were used as the starting point for development of the market-wide index rate. Due to the timing of the submission, the data included is for medical costs incurred between 1/1/2012 and 12/31/2012, and paid through 12/31/2012.</p> <p>Base period data: The Revenue Requirement for 2014 for the new ACA plans is developed by accumulating Colorado specific medical and administrative expenses for essential health benefits (EHB) for non-grandfathered small group business, incurred and paid in the period January 2012 through December 2012 including the incurred but not reported estimates. Allowed cost data includes fee for service claims and prescription drug claims. Allowed claims for external expenses are calculated as paid plus member cost sharing. Earned premiums represent the dues paid by members for coverage during the experience period. No rebates were payable during the experience period.</p> <p>Incurred Estimates: A common reserve tool developed and maintained by Kaiser Actuarial Services is used to set Kaiser's IBNR reserves. Kaiser's common reserve tool uses historical claim lag averages to project anticipated future payments. IBNR levels have been set for medical and pharmacy categories, for allowed costs, utilization per thousand, and external cost sharing amounts. The completion factors used to complete the base period external claims are taken from Kaiser's overall KFHP experience commercial line of business. The claims are incurred and paid in 2012 so a 12/12 completion factor is used.</p>

2. Provide adequate support for all assumptions and methodologies used:	<p>Adjustments to Base Period Allowed</p> <p>Non-EHB</p> <p>An adjustment has been made to the base period allowed amount to remove the Non-EHB from the Index Rate. To develop this multiplier, historical experience was pulled by detailed service category. The service categories were bucketed based upon EHB definitions; line items deemed non-EHB (e.g., adult vision exams) were aggregated and removed from the total. The remaining EHB amount was divided by the total in order to determine the historical EHB percentage. This multiplier was calculated in aggregate for the small group line of business, and the same multiplier has been applied to both KFHP and KPIC products.</p> <p>This 2012 allowed amount for essential health benefits is considered the experience period index rate. Following is discussion of additional adjustments that have been made to the experience period index rate to project the 2014 index rate.</p> <p>Trend</p> <p>An annual trend assumption of 6.9% was applied from the base period to the projection period. Please refer to Section J. for additional details.</p> <p>Utilization copayment effect adjustment</p> <p>Allowed claims are adjusted for anticipated changes in the average utilization of services due to average cost sharing requirements in the projection period compared to the base period. Member cost sharing results in lower utilization and, thus, lower allowed costs, than would otherwise occur in a zero cost share environment. To account for differences in expected utilization due to different plan designs in the projection period and in the base period, an estimate based upon industry standard factors has been made at the plan level to adjust the base period data to what is expected under the new plan designs. These adjustments are documented in Exhibit 2.</p>
	<p>Demographic and Geographic Area Normalization</p> <p>No material changes in demographics or geographic area are being assumed for this population.</p> <p>Changes in Morbidity</p> <p>No material changes in demographics or geographic area are being assumed for this population.</p> <p>Manual Rate</p> <p>Per CO credibility, the base period experience is considered partially (33.3%) credible. A manual rate, assigned 66.7%, was established using pricing data and modeling from an independent national actuarial consulting firm. The allowed costs are based upon the specific benefit design to be offered in the 2014 portfolio. The underlying population within the model is a standard industry population. Please see the corresponding URRT for additional details.</p> <p>The base period development and the manual rate were then combined. The resulting projected allowed cost PMPM for coverage which includes only EHB is the projected period index rate.</p> <p>Adjustments to the Index Rate</p> <p>Risk Adjustment, Reinsurance, and Exchange Fees:</p> <p>An adjustment is made to the index rate to reflect risk adjustment payments anticipated in the rating period based on the expected risk profile relative to the market. It is assumed that this risk pool is comparable to the market and therefore no risk adjustment is being assumed in rating. A market-wide adjustment is also made to reflect this fee. Exhibit 3 illustrates the development of this adjustment, as well as the development of the Exchange fee multiplier, also applied to the market-wide index rate.</p> <p>Normalization:</p> <p>Additional factors are then applied to the adjusted index rate in order to normalize it to a base rate reflecting all 1.0 rating factors so that these factors can be applied in order to develop individual rates. This normalization includes applying an average utilization copayment adjustment for all plans offered in 2014 in order to true up utilization to what would be expected under a situation of 100% coverage since the reference plan used as the basis for the AV pricing values is a \$0 cost share plan. Additional normalization factors are age (Exhibit 4) and the contract limit of 3 children adjustment (Exhibit 4) all applied in order to normalize to factors of 1.0.</p> <p>Plan Level Adjustments:</p> <p>Plan level adjustments are then applied to the adjusted, normalized index rate to reflect the following:</p> <ul style="list-style-type: none"> • The actuarial value and cost sharing design of the plan • Administrative costs, excluding Exchange user fees and reinsurance and risk adjustment fees <p>Plan factors have been developed using industry standard data in a model from an independent national actuarial consulting firm, to calculate the impact of the various cost share and plan elements for EHBs, including utilization copayment effect. Therefore, these plan factors reflect both member cost share and the resulting dampening of expected utilization due to those cost shares. The underlying population within the model is a standard industry population.</p> <p>As discussed above, administrative costs for medical benefits were developed at an aggregate level for all plans based on historical administrative cost PMPMs trended to 2014, taking into account any expected changes in costs.</p>

J. TREND	
Additional support and information must be provided on the "Historical Trend" and "Normalized Trend" tabs	
Itemized trend component	Trend (%)
MEDICAL TREND (total)	6.5%
PHARMACEUTICAL TREND (total)	9.5%
TOTAL AVERAGE ANNUALIZED TREND (required)	6.9%
Additional information:	<p>For 2012 to 2014, the projected total annual benefit expense trend of 6.9% has been assumed based upon expected industry changes and due to offering conditions, consistency with KFHP small group pricing assumptions for the same period.</p> <p>Please refer to "Historical Trend" and "Normalized Trend" for additional details</p>

K. CREDIBILITY	
1. Credibility Percentage (Colorado Only):	33%
The above credibility percentage is based upon:	Life Years & Claims
Other (please specify)	
2. Number of years of data used to calculate above credibility percentage:	1

3. Discuss how and if aggregated data meets the Colorado credibility requirement and how the rating methodology was modified for the partially credible data, if applicable.	Base membership exposure and claim counts assumed to be 33.3% credible under the CO requirements, manual rating material established via independent national actuarial rating manual.
Additional Information: (including collateral data, if used)	

L. DATA REQUIREMENTS	Please see tab "Data Requirements"
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M. SIDE-BY-SIDE COMPARISON	N/A; please see Section O.
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N. BENEFITS RATIO PROJECTIONS	Please see "Projected Benefits Ratio"
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O. OTHER FACTORS	
Identify and provide support for other rating factors and definitions, including area factors, age factors, gender factors, etc.:	Please see tab "Other Rating Factors"
Additional Information:	<p>The enclosed Attachments I-a through I-h contain all applicable rating factors and rating formulas. The factors discussed below can also be found in the "Other Rating Factors" tab of this memorandum.</p> <p>Area Factors: Rates will not vary by area at this time (i.e., all are 1.00).</p> <p>Age Factors: The age factor table used to develop age specific rates is the standard table provided by CMS and required in the state of Colorado.</p> <p>Quarterly Trend Factors: The index rate will increase each quarter at the annual trend rate previously discussed</p>

A: SUMMARY 6. Policy/Rider Impacted:

Group Insurance Policy	KPIC-GP-PPO-CO-NGF
Certificate of Insurance	KPIC-GC-Silver PPO-SG-2014-CO-NGF
Schedule of Coverage	KPIC-SCH-Silver PPO-SG-2014-CO-NGF

E. RATE HISTORY					
Provide rate changes made in at least the last three years (If available)		N/A (Initial Filing)			
COLORADO					
State Tracking Number		% OF CHANGE			
or SERFF Tracking Number	Effective Date	Minimum	Average	Maximum	Cumulative for past 12 Months

NATIONWIDE		
Effective Date	Average % of change	Cumulative for past 12 Months
Additional Information:		

L. DATA REQUIREMENTS

Colorado-only basis for at least 3 years. **Include** national, regional or other appropriate basis, if the Colorado data is not fully credible. The experience period must include consecutive data no older than 9 months prior to the proposed effective date.

COLORADO

Year*	Earned Premium	Incurred Claims	Total Estimated IBNR Claims	Total Estimated Incurred Claims	Loss Ratio	Average Covered Lives	Number of Claims	Colorado On Rate Level Premium
2010	1,515,982	1,386,062	3,443	1,389,505	91.7%	286	6,056	2,375,761
2011	1,549,473	733,098	6,223	739,321	47.7%	251	4,914	2,087,286
2012	1,632,146	1,419,132	103,856	1,522,988	93.3%	222	3,895	1,850,126
2013								

*This column should be Calendar Year. If fractional year is used, identify period as MM/YYYY – MM/YYYY

Above data is for:

Prior Comparable Products: Small Group KPIC Colorado products. 2010 premium values shown assume standard revenue collection and exclude KP/DOI premium refund agreements.

OTHER DATA

Year	Earned Premium	Incurred Claims	Total Estimated Incurred Claims	Total Estimated IBNR Claims	Average Covered Lives	Number of Claims
2010						
2011						
2012						
2013						
Above data is for:						
Experience Period: (From to)						

Additional Information:

Claims counts represent claim information such as inpatient days and outpatient visits for external claims and number of scripts for Pharmacy.

M. SIDE-BY-SIDE COMPARISON		N/A (Initial Filing)	
If the proposed rating factor(s) are new, the memorandum must specifically so state, and provide detailed support for each of the factors.			
Description	Current Rate/ Rating Factor/ Rating Variable	Proposed Rate/ Rating Factor/Rating Variable	Percentage Increase/ Decrease
If the above table is not used, please identify the location of the Side-by-Side Comparison in the rate filing:			
Description and detailed support for new rating factor(s):			
Additional Information:			

N. PROJECTED EXPERIENCE FOR RATING PERIOD			
	Premiums	Incurred Claims	Benefits Ratio
Projected Experience Without Rate Change	237,000	201,450	85.0%
Projected Experience With Rate Change	237,000	201,450	85.0%
Additional Information	Due to availability of monthly calendar enrollment, the projection reflects expected 2014 calendar year exposure, including timing impacts of index trending and group entrants. Extended (e.g., 2015) experience is not reflected.		

Month Through Which Claims are Paid:

Dec-12

Notes:

Costs represent paid claim experience

Row #	Month	Members	Medical		Pharmacy		Medical	Pharmacy	Total
			Total	Estimated	Total	Estimated	12-Month	12-Month	12-Month
			Incurring Claims	IBNR Claims	Incurring Claims	IBNR Claims	pmpm Trend	pmpm Trend	pmpm Trend
1	Jan-09	298	\$11,797	\$0	\$12,362	\$0	---	---	---
2	Feb-09	284	\$122,105	\$0	\$10,326	\$0	---	---	---
3	Mar-09	279	\$22,416	\$0	\$11,250	\$0	---	---	---
4	Apr-09	292	\$24,380	\$0	\$10,155	\$0	---	---	---
5	May-09	274	\$53,971	\$1	\$10,637	\$0	---	---	---
6	Jun-09	272	\$285,336	\$7	\$12,092	\$0	---	---	---
7	Jul-09	281	\$137,500	\$6	\$15,242	\$0	---	---	---
8	Aug-09	280	\$687,889	\$45	\$12,917	\$0	---	---	---
9	Sep-09	272	\$89,423	\$4	\$10,724	\$0	---	---	---
10	Oct-09	255	\$70,281	\$5	\$9,265	\$0	---	---	---
11	Nov-09	275	\$130,092	\$10	\$10,479	\$0	---	---	---
12	Dec-09	305	\$45,220	\$6	\$11,707	\$0	\$499	\$41	\$540
13	Jan-10	291	\$46,140	\$8	\$14,053	\$0	\$510	\$41	\$552
14	Feb-10	286	\$458,981	\$102	\$9,763	\$0	\$610	\$41	\$651
15	Mar-10	277	\$25,613	\$15	\$14,706	\$0	\$612	\$42	\$654
16	Apr-10	370	\$90,255	\$57	\$11,656	\$0	\$617	\$42	\$659
17	May-10	280	\$18,801	\$14	\$10,185	\$0	\$606	\$41	\$647
18	Jun-10	281	\$49,776	\$41	\$9,842	\$0	\$536	\$41	\$577
19	Jul-10	272	\$166,228	\$170	\$12,550	\$0	\$546	\$40	\$586
20	Aug-10	271	\$91,710	\$97	\$9,050	\$0	\$374	\$39	\$413
21	Sep-10	278	\$31,054	\$28	\$11,163	\$0	\$356	\$39	\$395
22	Oct-10	283	\$99,954	\$128	\$12,913	\$0	\$362	\$40	\$401
23	Nov-10	268	\$60,830	\$88	\$83,955	\$0	\$342	\$61	\$403
24	Dec-10	269	\$38,999	\$62	\$10,518	\$0	\$344	\$61	\$406
25	Jan-11	285	\$78,066	\$135	\$13,863	\$0	\$354	\$61	\$416
26	Feb-11	266	\$25,530	\$42	\$14,715	\$0	\$229	\$63	\$292
27	Mar-11	269	\$41,904	\$87	\$13,256	\$0	\$234	\$63	\$297
28	Apr-11	273	\$24,383	\$53	\$13,839	\$0	\$221	\$66	\$287
29	May-11	273	\$26,485	\$64	\$13,393	\$0	\$224	\$67	\$290
30	Jun-11	244	\$27,047	\$70	\$15,070	\$0	\$219	\$69	\$288
31	Jul-11	237	\$68,352	\$235	\$17,560	\$0	\$191	\$71	\$263
32	Aug-11	232	\$50,434	\$191	\$11,452	\$0	\$181	\$73	\$254
33	Sep-11	223	\$75,352	\$320	\$13,997	\$0	\$198	\$75	\$273
34	Oct-11	229	\$67,073	\$377	\$12,788	\$0	\$191	\$76	\$267
35	Nov-11	237	\$44,784	\$221	\$9,657	\$0	\$188	\$53	\$240
36	Dec-11	242	\$26,330	\$185	\$32,010	\$0	\$185	\$60	\$246
37	Jan-12	231	\$379,632	\$3,852	\$38,084	\$1	\$292	\$70	\$362
38	Feb-12	236	\$46,990	\$528	\$37,703	\$1	\$302	\$78	\$381
39	Mar-12	246	\$84,865	\$1,271	\$25,859	\$15	\$320	\$83	\$403
40	Apr-12	240	\$101,139	\$2,706	\$24,590	\$14	\$351	\$88	\$439
41	May-12	235	\$94,260	\$3,002	\$20,230	\$12	\$381	\$91	\$473
42	Jun-12	245	\$64,887	\$2,468	\$18,876	\$10	\$395	\$93	\$488
43	Jul-12	233	\$48,290	\$2,347	\$15,994	\$23	\$389	\$92	\$482
44	Aug-12	204	\$32,064	\$2,616	\$18,129	\$26	\$388	\$96	\$483
45	Sep-12	193	\$31,948	\$4,398	\$20,338	\$31	\$378	\$99	\$477
46	Oct-12	197	\$218,306	\$46,723	\$26,680	\$38	\$454	\$105	\$559
47	Nov-12	203	\$41,214	\$17,469	\$16,985	\$23	\$465	\$109	\$574
48	Dec-12	205	\$8,386	\$7,335	\$12,061	\$570	\$467	\$104	\$571

Start Month	End Month	Members Months	Medical		Pharmacy		One Year Trends		
			Total Incurring Claims	Estimated IBNR Claims	Total Incurring Claims	Estimated IBNR Claims	Medical Trend	Pharmacy Trend	Total Trend
Jan-09	Dec-09	3,367	1,680,410	84	137,156	0	---	---	---
Jan-10	Dec-10	3,426	1,178,341	810	210,354	0	-31.0%	50.7%	-24.9%
Jan-11	Dec-11	3,010	555,740	1,980	181,600	0	-46.2%	-1.7%	-39.4%
Jan-12	Dec-12	2,668	1,151,981	94,715	275,529	764	152.2%	71.6%	132.4%

Month Through Which Claims are Paid:

Dec-12

Note:

Costs represent paid normalized for demographics

Row #	Month	Members	Medical	Pharmacy	Medical	Pharmacy	Total
			Normalized	Normalized	12-Month	12-Month	12-Month
			Incurred Claims	Incurred Claims	pmpm Trend	pmpm Trend	pmpm Trend
1	Jan-09	298	\$9,004	\$9,436	---	---	---
2	Feb-09	284	\$94,003	\$7,949	---	---	---
3	Mar-09	279	\$17,120	\$8,592	---	---	---
4	Apr-09	292	\$18,579	\$7,739	---	---	---
5	May-09	274	\$40,367	\$7,956	---	---	---
6	Jun-09	272	\$212,806	\$9,018	---	---	---
7	Jul-09	281	\$102,185	\$11,327	---	---	---
8	Aug-09	280	\$513,690	\$9,645	---	---	---
9	Sep-09	272	\$66,682	\$7,997	---	---	---
10	Oct-09	255	\$52,852	\$6,967	---	---	---
11	Nov-09	275	\$98,538	\$7,936	---	---	---
12	Dec-09	305	\$33,839	\$8,759	\$374	\$31	\$405
13	Jan-10	291	\$34,712	\$10,570	\$383	\$31	\$414
14	Feb-10	286	\$342,380	\$7,281	\$456	\$31	\$487
15	Mar-10	277	\$19,534	\$11,210	\$457	\$32	\$489
16	Apr-10	370	\$67,745	\$8,743	\$461	\$31	\$492
17	May-10	280	\$14,242	\$7,709	\$453	\$31	\$484
18	Jun-10	281	\$37,296	\$7,368	\$401	\$31	\$431
19	Jul-10	272	\$125,463	\$9,462	\$409	\$30	\$439
20	Aug-10	271	\$69,044	\$6,806	\$280	\$29	\$310
21	Sep-10	278	\$23,271	\$8,358	\$267	\$29	\$296
22	Oct-10	283	\$74,389	\$9,598	\$271	\$30	\$301
23	Nov-10	268	\$44,563	\$61,416	\$256	\$45	\$301
24	Dec-10	269	\$28,944	\$7,794	\$257	\$46	\$303
25	Jan-11	285	\$56,848	\$10,077	\$264	\$46	\$310
26	Feb-11	266	\$18,481	\$10,635	\$171	\$47	\$217
27	Mar-11	269	\$30,226	\$9,542	\$174	\$46	\$221
28	Apr-11	273	\$17,733	\$10,043	\$164	\$48	\$212
29	May-11	273	\$19,117	\$9,643	\$166	\$49	\$215
30	Jun-11	244	\$19,312	\$10,732	\$162	\$50	\$213
31	Jul-11	237	\$47,746	\$12,225	\$140	\$52	\$192
32	Aug-11	232	\$35,566	\$8,046	\$131	\$53	\$184
33	Sep-11	223	\$52,771	\$9,761	\$143	\$54	\$197
34	Oct-11	229	\$46,957	\$8,903	\$136	\$55	\$191
35	Nov-11	237	\$32,250	\$6,921	\$134	\$38	\$171
36	Dec-11	242	\$18,689	\$22,562	\$131	\$43	\$174
37	Jan-12	231	\$265,487	\$26,366	\$204	\$49	\$254
38	Feb-12	236	\$33,192	\$26,337	\$212	\$55	\$267
39	Mar-12	246	\$61,394	\$18,442	\$224	\$59	\$283
40	Apr-12	240	\$73,531	\$17,422	\$246	\$62	\$308
41	May-12	235	\$68,779	\$14,314	\$267	\$64	\$331
42	Jun-12	245	\$48,446	\$13,584	\$277	\$65	\$342
43	Jul-12	233	\$35,807	\$11,326	\$273	\$65	\$338
44	Aug-12	204	\$23,045	\$12,064	\$271	\$67	\$339
45	Sep-12	193	\$24,087	\$13,499	\$264	\$69	\$333
46	Oct-12	197	\$176,256	\$17,769	\$314	\$73	\$388
47	Nov-12	203	\$39,677	\$11,499	\$321	\$76	\$397
48	Dec-12	205	\$10,566	\$8,489	\$322	\$72	\$394

Start Month	End Month	Members Months	Medical	Pharmacy	One Year Trends		
			Total Incurred Claims	Total Incurred Claims	Medical Trend	Pharmacy Trend	Total Trend
Jan-09	Dec-09	3,367	1,259,665	103,321	---	---	---
Jan-10	Dec-10	3,426	881,583	156,315	-31.2%	48.7%	-25.2%
Jan-11	Dec-11	3,010	395,696	129,090	-48.9%	-6.0%	-42.4%
Jan-12	Dec-12	2,668	860,267	191,111	145.3%	67.0%	126.0%

O. OTHER FACTORS

Effective Date	Base Rate
1/1/2014	\$546.70

Effective Date	Trend Factor
1/1/2014	1.000
4/1/2014	1.017
7/1/2014	1.034
10/1/2014	1.051

PlanID	Metallic Level	Street Name	Plan Design Factor	Non-EHB Factor	Admin Factor	Exchange Offering
35944CO0020001	Silver	KP CO Silver PPO 1500/40	0.657	1.000	1.166	Off

Rating Area	Counties	Factor
Rating Area 1	Boulder	1.000
Rating Area 2	El Paso, Teller	1.000
Rating Area 3	Adams, Arapahoe, Broomfield, Clear Creek, Denver, Douglas, Elbert, Gilpin, Jefferson, Park	1.000
Rating Area 4	Larimer	1.000
Rating Area 5	Mesa	1.000
Rating Area 6	Weld	1.000
Rating Area 7	Pueblo	1.000
Rating Area 8	Huefano, Kiowa, Kit Carson, Las Animas, Lincoln, Mineral, Otero, Prowers, Rio Grande, Saguache	1.000
Rating Area 9	Logan, Morgan, Phillips, Sedgwick, Washington, Yuma	1.000
Rating Area 10	Archuleta, Delta, Dolores, Grand, Gunnison, Hinsdale, Jackson, La Plata, Lake Moffat, Montezuma, Montrose, Ouray, Rio Blanco, Routt, San Juan, San Miguel	1.000
Rating Area 11	Eagle, Garfield, Pitkin, Summit	1.000

Attained Age	Age Factor
20 and Under	0.635
21	1.000
22	1.000
23	1.000
24	1.000
25	1.004
26	1.024
27	1.048
28	1.087
29	1.119
30	1.135
31	1.159
32	1.183
33	1.198
34	1.214
35	1.222
36	1.230
37	1.238
38	1.246
39	1.262
40	1.278
41	1.302
42	1.325
43	1.357
44	1.397
45	1.444
46	1.500
47	1.563
48	1.635
49	1.706
50	1.786
51	1.865
52	1.952
53	2.040
54	2.135
55	2.230
56	2.333
57	2.437
58	2.548
59	2.603
60	2.714
61	2.810
62	2.873
63	2.952
64	3.000
65 and over	3.000

Product-Plan Data Collection

Company Legal Name:

Kaiser Permanente Insurance Company

HIOS Issuer ID:

35944

Effective Date of Rate Change(s):

1/1/2014

Product/Plan Level Calculations

Section I: General Product and Plan Information

Product	PPO	Terminated Plans
Product ID:	35944CO002	
Metal:	Silver	Catastrophic
AV Metal Value	0.708	0.000
AV Pricing Value	0.766	0.000
Plan Type:	PPO	PPO
Plan Name	KP CO Silver PPO 1500/40	Terminated Plans
Plan ID (Standard Component ID):	35944CO0020001	
Exchange Plan?	No	No
Historical Rate Increase - Calendar Year - 2		18.70%
Historical Rate Increase - Calendar Year - 1		12.20%
Historical Rate Increase - Calendar Year 0		9.80%
Effective Date of Proposed Rates	1/1/2014	1/1/2014
Rate Change % (over prior filing)	0.00%	0.00%
Cum'tive Rate Change % (over 12 mos prior)	-999.00%	0.00%
Proj'd Per Rate Change % (over Exper. Period)	#DIV/0!	-100.00%
Product Threshold Rate Increase %	0.00%	#VALUE!

Section II: Components of Premium Increase (PMPM Dollar Amount above Current Average Rate PMPM)

Plan ID (Standard Component ID):	Total	35944CO0020001	
Inpatient	\$0.00	\$0.00	\$0.00
Outpatient	\$0.00	\$0.00	\$0.00
Professional	\$0.00	\$0.00	\$0.00
Prescription Drug	\$0.00	\$0.00	\$0.00
Other	\$0.00	\$0.00	\$0.00
Capitation	\$0.00	\$0.00	\$0.00
Administration	\$0.00	\$0.00	\$0.00
Taxes & Fees	\$0.00	\$0.00	\$0.00
Risk & Profit Charge	\$0.00	\$0.00	\$0.00
Total Rate Increase	\$0.00	\$0.00	\$0.00
Member Cost Share Increase	\$0.00	\$0.00	\$0.00

Average Current Rate PMPM	\$600.17	\$600.17
Projected Member Months	382	382

Section III: Experience Period Information

Warning Alert	Wsht 1 Total	Plan ID (Standard Component ID):	Total	35944CO0020001	
OK	\$ 611.75	Average Rate PMPM	\$611.75	\$611.75	
OK	2,668	Member Months	2,668	2,668	
OK	\$1,632,146	Total Premium (TP)	\$1,632,149	\$0	\$1,632,149
		EBH basis or full portion of TP, [see instructions]	0.00%	0.00%	
		state mandated benefits portion of TP that are other than EBH	0.00%	0.00%	
		Other benefits portion of TP	100.00%	100.00%	100.00%
OK	\$1,784,199	Total Allowed Claims (TAC)	\$1,784,199	\$0	\$1,784,199
		EBH basis or full portion of TAC, [see instructions]	99.38%	0.00%	99.38%
		state mandated benefits portion of TAC that are other than EBH	0.00%	0.00%	0.00%
		Other benefits portion of TAC	0.62%	100.00%	0.62%
		Allowed Claims which are not the issuer's obligation:	\$261,211	\$0	\$261,211
		Portion of above payable by HHS's funds on behalf of insured person, in dollars	\$0		\$0
		Portion of above payable by HHS on behalf of insured person, as %	0.00%		0.00%
OK	\$1,522,988	Total Incurred claims, payable with issuer funds	\$1,522,988	\$0	\$1,522,988
		Net Amt of Rein	\$0.00	\$0.00	
		Net Amt of Risk Adj	\$0.00	\$0.00	
OK	\$ 570.84	Incurred Claims PMPM	\$570.84	#DIV/0!	\$570.84
OK	\$ 668.74	Allowed Claims PMPM	\$668.74	#DIV/0!	\$668.74
		EBH portion of Allowed Claims, PMPM	\$664.58	#DIV/0!	\$664.58

Section IV: Projected (12 months following effective date)

Warning Alert	Wsht 1 Total	Plan ID (Standard Component ID):	Total	35944CO0020001	
OK	\$ 600.17	Average Rate PMPM	\$600.17	\$600.17	\$0.00
OK	382	Member Months	382	382	-
WARNING	\$229,267	Total Premium (TP)	\$229,265	\$229,265	\$0
		EBH basis or full portion of TP, [see instructions]	99.83%	99.83%	
		state mandated benefits portion of TP that are other than EBH	0.00%	0.00%	
		Other benefits portion of TP	0.17%	0.17%	100.00%
OK	254,077	Total Allowed Claims (TAC)	\$253,834	\$253,834	
		EBH basis or full portion of TAC, [see instructions]	99.83%	99.83%	
		state mandated benefits portion of TAC that are other than EBH	0.00%	0.00%	
		Other benefits portion of TAC	0.17%	0.17%	100.00%
		Allowed Claims which are not the issuer's obligation	\$59,150	\$59,150	
		Portion of above payable by HHS's funds on behalf of insured person, in dollars	\$0		
		insured person, as %	0.00%		#DIV/0!
OK	194,877	Total Incurred claims, payable with issuer funds	\$194,684	\$194,684	\$0
#DIV/0!	-	Net Amt of Rein	\$0	\$0	
		Net Amt of Risk Adj	\$0	\$0	
OK	\$ 510.15	Incurred Claims PMPM	\$509.64	\$509.64	#DIV/0!
OK	\$ 665.12	Allowed Claims PMPM	\$664.49	\$664.49	#DIV/0!
		EBH portion of Allowed Claims, PMPM	\$663.36	\$663.36	#DIV/0!

**Kaiser Permanente Insurance Company
Colorado : Small Group**

**Exhibit 1
Summary Calculation**

		<u>Source</u>
(1) Base Period Allowed	\$668.74	See Memo
(2) Non-EHB Claims Adjustment	0.994	See Memo
(3) EHB Base Period Allowed	\$664.58	[(1) * (2)]
(4) Annualized Trend	6.9%	See Memo
(5) Months of Trend	24	
(6) Trend Factor	1.143	[{ 1 + (8) } ^ {(9)/12}]
(7) Change in Utilization Effect	0.960	Exhibit 2
(8) Projected Period Index Rate - Base Data	\$729.11	(3) * (6) * (7)
(9) Average Lives of Base Period	222	
(10) Credibility	0.333	((9) / 2000) ^ 0.5
(11) Projected Period Index Rate - Manual	\$633.13	
(12) Credibility	0.667	1 - (9)
(13) Final Projected Period Index Rate	\$665.13	8*10 + 11*12
<i>Adjustments to the Market-Wide Index Rate</i>		
(14) Risk Adjustment	1.000	See Memo
(15) Reinsurance Premium	1.010	Exhibit 3
(16) Exchange Fee	1.000	Exhibit 3
<i>Normalization Factors</i>		
(17) Utilization Impact	1.168	Exhibit 2
(18) Contract Limit of 3 Children Factor	1.007	Exhibit 4
(19) Demographic Normalization	0.692	Exhibit 5
(20) Base Rate for Reference Plan	\$546.70	product [(13) through (19)] <i>Reference plan is a no-cost sharing plan</i>

Attachment II

Required Rate Sample

[illegible]

VAUGHN INDEX

REQUEST FOR CONFIDENTIAL OR PRIVILEGED STATUS

Please fill out this form and submit it with your filing of information or documents with the Colorado Division of Insurance in the event you are requesting confidential or privileged status for all or a portion of such information or documents. It is your responsibility to both claim and validate your request for confidential or privileged status for each separate portion of the information.

1. Identification of Party Requesting Confidential or Privileged Status:

Name: Aaron Ekstrom
Company: Kaiser Foundation Health Plan of CO
Address: 2530 South Parker Road, Suite 350
Aurora, CO 80014
Email Address: Aaron.D.Ekstrom@kp.org
Telephone: 303-306-2672
Facsimile: 303-306-2676

2. Identification of information or documents for which confidential or privileged status is requested. All of the columns must be completed.

ID No	Description of each different section or page	Date	Author	Recipient	Identify Confidentiality or Privilege Claimed (cite legal authority)	Reason why it applies
01	Pricing Assumptions – Utilization experience & projections	5/13/2013	KPIC/KFHP of CO	Colorado Division of Insurance	C.R.S. Section 24-72-204(3)(a)(IV) and C.R.S. Section 24-72-203(4)	Per C.R.S. Section 24-72-204(3)(a)(IV), trade secrets and confidential commercial and financial data are not subject to public inspection or disclosure. Detailed information regarding pricing of specific benefits is considered a trade secret and not subject to public disclosure.

For Division use only:

Name of Division Employee:

Filing Date:

DOI Filing Number:

02	Pricing Assumptions – tax/fee development assumptions	5/13/2013	KPIC/KFHP of CO	Colorado Division of Insurance	C.R.S. Section 24-72-204(3)(a)(IV) and C.R.S. Section 24-72-203(4)	Per C.R.S. Section 24-72-204(3)(a)(IV), trade secrets and confidential commercial and financial data are not subject to public inspection or disclosure. Detailed information regarding pricing of specific benefits is considered a trade secret and not subject to public disclosure.
03	Pricing Assumptions – membership distribution	5/13/2013	KPIC/KFHP of CO	Colorado Division of Insurance	C.R.S. Section 24-72-204(3)(a)(IV) and C.R.S. Section 24-72-203(4)	Per C.R.S. Section 24-72-204(3)(a)(IV), trade secrets and confidential commercial and financial data are not subject to public inspection or disclosure. Detailed information regarding pricing of specific benefits is considered a trade secret and not subject to public disclosure.
04	Pricing Assumptions – membership distribution	5/13/2013	KPIC/KFHP of CO	Colorado Division of Insurance	C.R.S. Section 24-72-204(3)(a)(IV) and C.R.S. Section 24-72-203(4)	Per C.R.S. Section 24-72-204(3)(a)(IV), trade secrets and confidential commercial and financial data are not subject to public inspection or disclosure. Detailed information regarding pricing of specific benefits is considered a trade secret and not subject to public disclosure.

For Division use only:

Name of Division Employee:

Filing Date:

DOI Filing Number:



KAISER PERMANENTE®

Kaiser Permanente Insurance Company

May 13, 2013

Mr. Tom Abel
Supervisor, Rates & Forms
Colorado Division of Insurance
1560 Broadway, Suite 850
Denver, Colorado

SERFF FILING

Re: KAISER PERMANENTE INSURANCE COMPANY (KPIC)
NAIC Company Code: 60053
Company ID Number: 4120

Letter of Authority to File Rates on Behalf of KPIC

Dear Mr. Abel:

This authorization or a copy hereof authorizes Kaiser Foundation Health Plan of Colorado to submit 2014 premium rates, which are related to the marketing of the Silver-level PPO plan, for small groups, outside the Colorado Health Benefit Exchange, on behalf of KPIC for the review and filing thereof with the Colorado Division of Insurance (DOI).

This authorization shall be valid until the above-referenced rates and the policy forms associated therewith have been formally filed with the DOI.

Sincerely,

Mitchell J. Goodstein,
President

Kaiser Permanente Insurance Company
Colorado: Small Group
Effective Date: January 1, 2014

Rate Filing Addendum
HIOS Issuer ID 35944
HIOS Product ID 35944CO002

Date: 6/5/2013

Kaiser Permanente Insurance Company (KPIC) is adding elective abortion coverage to all new products included within this rate filing. This will be the only benefit above the essential health benefit requirements covered in these plans. Per conversations with the Colorado Division of Insurance, this addendum is being provided to the rate filing to demonstrate that the cost of this benefit addition is de minimus to the total premium.

Large group Kaiser Foundation Health Plan of Colorado (KFHP) data for calendar year 2012 demonstrates a PMPM allowed cost of \$0.20 for abortion services, including both therapeutic and elective. It is expected that including elective abortion coverage on all plans in the individual and small group markets will result in a similar PMPM cost; because this includes both elective and therapeutic abortion services, this is likely a high-end estimate. This high-end estimate amounts to less than a 0.1% impact to projected allowed costs ($=0.20/665.13$). This impact is considered de minimus to the total premium, and therefore KPIC is not changing rates or revising rate filing materials to reflect this change. Instead, any costs resulting from this change will result in a reduction in target capital and contingency margin.

**Kaiser Permanente Insurance Company
Colorado : Small Group**

Anticipated Retention Levels

		% of Premium Retained
	<u>Issuer Primary Expense and Profit Retention</u>	
	Administrative Expenses (not including expenses in Additional Allowed Section Below):	9.07%
	Commissions:*	0.00%
	Capital and Contingencies Margin:	1.50%
	FIT - Federal Income Taxes (includes taxes on profit & contingencies):	0.00%
	Investment Income:	0.00%
(A)	Total:	10.57%
	<u>Retention for Additional Required Taxes, Fees and Assessments</u>	
	PPACA Health Insurer Fee:	1.31%
	PPACA Reinsurance Fee:	0.74%
	PPACA Risk Adjustment User Fee:	0.01%
	PPACA PCORI Fee:	0.02%
	Exchange user fees:	0.00%
	Premium Taxes:	2.35%
	State Income Taxes:	0.00%
	Other Fees, Assessments, Taxes:	0.00%
(B)	Total:	4.43%
	<u>Additional Allowed for QI & Member Welfare Section</u>	
	All (No additional explicit assumptions)	0.00%
(C)	Total:	0.00%
(D)	Total Premium Retention For All Purposes (A + B):	15.00%
(E)	Colorado Conventional Loss Ratio (100% - D):	85.00%
	Federal MLR Loss Ratio Basis: (E + C) / (100% - B - FIT):	88.94%

*KFHP of CO and KPIC PPO jointly oversee and administer the KPIC products, subsequently some expenses, such as commissions, are addressed by KFHP of CO.

State: Colorado

Filing Company:

Kaiser Permanente Insurance Company

TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO

Product Name: KPIC CO Small Group PPO

Project Name/Number: 201401 KPIC CO SG PPO/201401 KPIC SG CO PPO

Superseded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Creation Date	Schedule Item Status	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
06/04/2013		Supporting Document	Attachment II	07/16/2013	2014.01 KPIC CO SG_Att II.xls (Superceded) 2014.01 KPIC CO SG_Att II_PDF of Required Excel Submission.pdf (Superceded)
05/29/2013		Supporting Document	Actuarial Memorandum and Certifications	06/04/2013	2014.01 KPIC CO SG_Cert.PDF 2014.01 KPIC CO SG Part III Actuarial Memorandum.pdf 2014.01 KPIC CO SG ActMemo_v2013.05.29.xls
05/21/2013		Supporting Document	Unified Rate Review Template	06/04/2013	2014.01 KPIC CO SG_URRT.xlsm
05/13/2013		Supporting Document	Attachment II	06/04/2013	2014.01 KPIC CO SG_Att II.xls
05/12/2013		Rate	Rate Manual	07/16/2013	2014.01 KPIC CO SG_Att I.pdf (Superceded)
05/03/2013		Supporting Document	Actuarial Memorandum and Certifications	05/29/2013	2014.01 KPIC CO SG ActMemo.xls (Superceded) 2014.01 KPIC CO SG_Cert.PDF 2014.01 KPIC CO SG Part III Actuarial Memorandum.pdf
05/03/2013		Supporting Document	Unified Rate Review Template	05/21/2013	2014 KPIC CO SG_URRT_2013051414218.xml (Superceded)

SERFF Tracking #:	KFHP-129013801	State Tracking #:	278003	Company Tracking #:	2014.01 KPIC CO SG
<hr/>					
State:	Colorado	Filing Company:	Kaiser Permanente Insurance Company		
TOI/Sub-TOI:	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO				
Product Name:	KPIC CO Small Group PPO				
Project Name/Number:	201401 KPIC CO SG PPO/201401 KPIC SG CO PPO				

Attachment 2014.01 KPIC CO SG_Att II.xls is not a PDF document and cannot be reproduced here.

Attachment 2014.01 KPIC CO SG ActMemo.xls is not a PDF document and cannot be reproduced here.

Attachment 2014 KPIC CO SG_URRT_2013051414218.xml is not a PDF document and cannot be reproduced here.

Permanente Insurance Company Colorado: Small Group

Attachment II
Required Rate Sample

40 year old non-tobacco user rates for richest and leanest plan in each metal tier

[illegible]

Kaiser Permanente Insurance Company
Colorado: Small Group
Rating Factors

Attachment I-a
Rating Formula

Member Rate Calculation

Base Rate	a
Trend Factor	b
Geographic Location Factor	c
Plan Design Factor	d
Non-EHB Factor	e
Administrative Factor	f
Age Factor	g
<hr/> Member Rate	<hr/> $h = a * b * c * d * e * f * g$

Family - Maximum Child

The rates of each individual member are added together to arrive at a family premium. In computing the family premium, the rates of only the three eldest child dependents under the age of 21 are included. All child dependents age 21 and older are included in the family premium

Required Group Premium

Total group premium is determined by summing the individual and family premiums as determined via the formulas and dependent child caps indicated above.

Kaiser Permanente Insurance Company
Colorado: Small Group
Rating Factors

Attachment I-b
Index and Quarterly Trend Factor

Effective Date	Base
1/1/2014	\$546.70

Effective Date	Trend Factor
1/1/2014	1.000
4/1/2014	1.017
7/1/2014	1.034
10/1/2014	1.051

Kaiser Permanente Insurance Company
Colorado: Small Group
Rating Factors

Attachment I-c
Geographic Rating Factors

Rating Area	Counties	Factor
Rating Area 1	Boulder	1.000
Rating Area 2	El Paso, Teller	1.000
Rating Area 3	Adams, Arapahoe, Broomfield, Clear Creek, Denver, Douglas, Elbert, Gilpin, Jefferson, Park	1.000
Rating Area 4	Larimer	1.000
Rating Area 5	Mesa	1.000
Rating Area 6	Weld	1.000
Rating Area 7	Pueblo	1.000
Rating Area 8	Alamosa, Baca, Bent, Chaffee, Cheyenne, Conejos, Costilla, Crowley, Custer, Fremont, Huefano, Kiowa, Kit Carson, Las Animas, Lincoln, Mineral, Otero, Prowers, Rio Grande, Saguache	1.000
Rating Area 9	Logan, Morgan, Phillips, Sedgwick, Washington, Yuma	1.000
Rating Area 10	Archuleta, Delta, Dolores, Grand, Gunnison, Hinsdale, Jackson, La Plata, Lake Moffat, Montezuma, Montrose, Ouray, Rio Blanco, Routt, San Juan, San Miguel	1.000
Rating Area 11	Eagle, Garfield, Pitkin, Summit	1.000

Kaiser Permanente Insurance Company
Colorado: Small Group
Rating Factors

Attachment I-d
Allowable Modifiers by Plan: Plan Design Factor

Plan	Metallic Level	Name	Exchange Offering	Factor
35944CO0020001	Silver	KP CO Silver PPO 1500/40	Off	0.657

Kaiser Permanente Insurance Company
Colorado: Small Group
Rating Factors

Attachment I-e
Allowable Modifiers by Plan: Non-EHB

Name	Non-EHB
KP CO Silver PPO 1500/40	1.00

**Kaiser Permanente Insurance Company
Colorado: Small Group
Rating Factors**

**Attachment I-f
Allowable Modifiers by Plan: Administrative Factor**

Name	Factor
KP CO Silver PPO 1500/40	1.166

Kaiser Permanente Insurance Company
Colorado: Small Group
Rating Factors

Attachment I-g
Age Rating Factors

Age	Factor
20 and Under	0.635
21	1.000
22	1.000
23	1.000
24	1.000
25	1.004
26	1.024
27	1.048
28	1.087
29	1.119
30	1.135
31	1.159
32	1.183
33	1.198
34	1.214
35	1.222
36	1.230
37	1.238
38	1.246
39	1.262
40	1.278
41	1.302
42	1.325
43	1.357
44	1.397
45	1.444
46	1.500
47	1.563
48	1.635
49	1.706
50	1.786
51	1.865
52	1.952
53	2.040
54	2.135
55	2.230
56	2.333
57	2.437
58	2.548
59	2.603
60	2.714
61	2.810
62	2.873
63	2.952
64	3.000
65 and over	3.000